FBIS DAILY REPORT

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CONTADORA PARTICIPANTS MEET IN BRASILIA

Group Asked to Continue Mediation

PY161725 Madrid EFE in Spanish 1615 GMT 16 Mar 85

[Text] Brasilia, 16 Mar (EFE) -- The Central American foreign ministers today asked the Contadora Group to make new efforts to mediate between the countries of the region until peace, democracy, and reciprocal security can be achieved in the area. This request was made during an informal meeting held early this morning at the Colombian Embassy here by the Costa Rican, Nicaraguan, Salvadoran, and Honduran foreign ministers, the Guatemalan vice foreign minister, and representatives of the Contadora Group. The Contadora Group was represented by Bernardo Sepulveda, Fernando Cardoze, and Augusto Ramirez Ocampo, the Mexican, Panamanian, and Colombian foreign ministers, respectively, and by Octavio Lepage, the Venezuelan interior minister. The meeting began shortly before midnight and ended early in the morning. Before the meeting, all the diplomats attended an official reception honoring the international delegations attending the inauguration of Brazilian interim President Jose Sarney.

During the meeting at the Colombian Embassy, the Honduran, Salvadoran, and Costa Rican foreign ministers submitted a joint document to the Contadora Group on an international system for security control and verification in the region. The document was drafted and approved over the weekend in Tegucigalpa. It will be introduced into the Contadora Document following the approval of Nicaragua and Guatemala. It was also decided that the group's representatives will meet on 11-12 April in Panama to analyze and take action on this proposal.

Results of Meeting Announced

FL181544 Mexico City NOTIMEX in Spanish 2025 GMT 16 Mar 85

[Text] Mexico City, 16 Mar (NOTIMEX) -- Even as threats to peace persist in Central America, conditions favorable to peace are again present, such as the Contadora Group's permanent measures, which have contributed to the removal of obstacles to the diplomatic process. This statement was made after the meeting of the Contadora Group foreign ministers with their counterparts from Costa Rica, El Salvador, Honduras, Nicaragua, and the vice foreign minister of Guatemala in Brasilia. The Mexican Foreign Ministry announced the foreign ministers' statement and pointed out that the purpose of the meeting was jointly to define the compromises and procedures that will permit the diplomatic process to continue to achieve detente and establish the bases for a firm and lasting peace in Central America.

At the conclusion of the meeting, it was decided to call a meeting of high-level representatives empowered to make binding agreements. The meeting will take place on 11 and 12 April in Panama, where the representatives will define the mechanisms for carrying out and following Contadora Group norms, especially the verification and control of security measures. This new phase of revision and improvement of the agreements will permit progress toward the signing of a peace and cooperation treaty in the region. The Contadora foreign ministers have drawn up a series of revisions and refinements aimed at blunting criticisms of several parts of the document, especially those dealing with verification and control.

The Contadora foreign ministers reiterated their firm intention of doing everything they can to attain the objectives of their measures, which were first formulated in January 1983. They also pointed out that the legal instrument that has been drawn up must recognize the legitimate interests of all the Central American states and guarantee the observance of the basic norms of international law. Finally, all the participants in the meeting expressed thanks for the hospitality of the people and the Government of Brazil for hosting the meeting and wished President Tancredo Neves a speedy recovery.

Nicaragua's Ortega Comments

PY161704 Madrid EFE in Spanish 1549 GMT 16 Mar 85

[Text] Brasilia, 16 Mar (EFE) -- Commander Daniel Ortega, the president of Nicaragua, today said that bilateral dialogue with the United States is a condition for the success of the Contadora Group's peace efforts. In a statement to the press in Brasilia, Ortega asserted that the Contadora Group will not make progress in its peace efforts as long as Nicaragua and the United States do not reach an agreement. In turn, Colombian Foreign Minister Augusto Ramirez Ocampo said that the efforts of the Contadora Group and the dialogue in Manzanillo between Nicaragua and the United States complement each other. Ortega had meetings here today with Uruguayan President Julio Maria Sanguinetti and with Foreign Minister Ocampo. On Monday, 18 March, he will have a meeting with a Brazilian congressional commission before returning to Managua.

IAPA BOARD HOLDS MEETING IN PANAMA CITY

PA132338 Panama City Televisora Nacional in Spanish 0000 GMT 13 Mar 85

[Text] The Panama National Bank today denounced before the committee for freedom of the press and information of the IAPA, which is currently meeting at Panama City's Marriott Hotel, an alleged deliberate distortion of news by the local daily LA PRENSA. According to the bank, LA PRENSA used a report for a U.S. congressional committee to implicate the Panama National Bank in the laundering of drug money. The protest note was submitted to IAPA by Jose Hernandez, the bank's public relations manager.

Representatives of the former EL PANAMA AMERICA newspaper, the Coordinating Board for National Civilianization, and the now defunct daily YA, as well as the director of LA PRENSA addressed the IAPA gathering this morning.

Panamanian President Nicolas Ardito Barletta inaugurated the meeting of the IAPA Board of Directors. An excerpt of his speech follows:

[Begin recording] I conclude by wishing you luck in this meeting and reminding you that our countries must continue to make joint efforts to strengthen the overall development of our peoples and the progress of democracy. The effort must include broad liberties and the participation of the distinguished members of the Latin American press who are gathered here. It will constitute an important contribution to democracy and help guide our peoples toward development. We must be careful not to abuse or fall short of our potential. [end recording]

Meanwhile, the workers of the Renovation Publishing House, Inc [ERSA] staged a peaceful demonstration today in front of the Marriott Hotel, where newspaper owners are participating in the IAPA Board of Directors meeting. The protestors displayed picket signs protesting a request for restitution presented by the former owners of ERSA's equipment, publishers of the now defunct EL PANAMA AMERICA. A delegation of the protesting workers met with President Ardito Barletta to brief him on their stance regarding the reinstatement.

Communique Issued

PA170058 San Salvador EL DIARIO DE HOY in Spanish 16 Mar 85 p 1

[Text] "During its mid-year assembly held last week in Panama City, IAPA strongly condemned the Governments of El Salvador, the Dominican Republic, and Ecuador, for excessive use of taxpayers' money to reward or punish the media through the allocation of publicity budgets."

IAPA urged those governments to put an end to these discriminatory practices that seriously affect the freedom of the press guaranteed in their respective Constitutions. The text of the IAPA communique reads:

Whereas: Some democratic governments on the American continent resort to the practice of using official publicity to reward newspapers and journalists who favor those governments or to punish those who criticize or oppose them;

During the current meeting of the IAPA Board of Directors in Panama City it was reported that the Governments of Ecuador, the Dominican Republic, and El Salvador are engaged in this practice which harms freedom of the press;

In many countries, particularly in those where the state owns enterprises and controls a significant part of the economic activity, the taxpayers' funds are used abusively in the partial distribution of official publicity as a reward or punishment.

The IAPA Board of Directors resolves:

1. To condemn the discriminatory practices in the distribution of official publicity, as antidemocratic and against freedom of the press.
2. To urge the Governments of El Salvador, Ecuador and the Dominican Republic to put an end to this type of discrimination against the independent press, which seriously affects the freedom of the press guaranteed in their respective Constitutions.

Nicaragua's Pastora Addresses Group

PA152152 Panama City Circuito RPC Television in Spanish 1730 GMT 15 Mar 85

[Text] Commander Cero, Eden Pastora, has said that he will continue to fight against communism and that the struggle against the Managua government has not ceased, as was stated by some media. Pastora, who addressed several representatives of IAPA, asked the international community for its support because currently the 7,000 men who are fighting in southern Nicaragua do not have food, planes, helicopters, or ammunition. Also, many wounded men die in the mountains because there is a lack of adequate transportation to transfer them to medical facilities.

Pastora said that the U.S. Government has never helped the thousands of combatants who are fighting in the south, as has been asserted by several reporters. On the contrary, the planes and boats that Cuban exiles in Miami have donated have been taken away. Commander Cero has urged all the Nicaraguan anticommunists to unite to overthrow the Managua government. Let us put aside all economic and political interests because the enemy is very strong, Pastora said. The leader insisted that there is very little that the Contadora Group can do to achieve peace in the region because the solution is not negotiable and an armed solution is demanded.

[Begin recording] Somoza controlled the people with three organizations: the Army, the Security Corps, and the Liberal Party. They [the Sandinist government] have 35 organizations and they even organize widows, children, students, professionals, industrialists, small business owners, even baseball players; they organize everyone and they have 35 organizations so that no one can move and everyone is controlled. It is, therefore, very difficult to fight in the towns where even the minds of the people are controlled. Now we have the possibility of inciting the countryside to a rebellion. Let the countryside asphyxiate the cities, and let those in the cities have the opportunity to choose where to go and pick up arms. [end recording]

When Pastora was asked why the United States has not helped them in their struggle, he said:

[Begin recording] Do you think that the United States has a single general who believes that 7,000 men in the south, barefoot, wearing rags, hungry, with 7,000 weapons and 4 bullets, can overthrow a government that is totally supported, politically and militarily, by the other world power? I do not think that the U.S. believes that we will overthrow the Managua government. Can we overthrow it with negotiations? I do not think so. What are we going to negotiate? A quota of power? Are we going to leave the Defense Ministry, the Interior Ministry, and the Security Corps in the hands of the communists? Then why our dead? [end recording]

Pastora criticized some media that distort information regarding the armed struggle in Nicaragua.

[Begin recording] We want them to stop distorting our image. We have already demonstrated that we are not erratic. They are the erratic ones; they said freedom of press and today they repress it; the erratic ones are those in Managua who spoke of human rights and today violate them. Those who spoke of nonalignment and are today aligned with the Soviet Union, incapable of condemning the Soviet intervention in Afghanistan as we criticized U.S. intervention in Vietnam are the erratic ones. We are cohesive and we are not inconsistent; we are consistent. Yesterday we fought against Somoza and today we fight the communists. We have never abandoned the ranks of the Democratic Revolutionary Alliance. The peasants have never deserted en masse as has been reported by the international press. We have not sold our weapons, nor have we stopped fighting, as has been reported, nor have we retreated from the war; we have merely taken a pause. We are not the force depicted by the international press now that we are fighting against international communism. We are the same men who fought against Somoza and we have not changed our stance. We are Sandinists and we will die as Sandinists today, yesterday, tomorrow, and always. Our battle cry was Free Fatherland or Death and today it is Free Fatherland or Kill the Foreign Invader. Thank you. [applause]

[Reporter] How is it that without food, weapons, planes, or helicopters you have been able to occupy a part of southern Nicaragua?

[Pastora] Through guerrilla warfare. We invite you to go and see, or ask the Managua government to show you as they have shown you the northern area. [end recording]

Offers Opposition Unity Plan

PA180404 Panama City ACAN in Spanish 0324 GMT 18 Mar 85

[Text] Panama, 17 Mar (ACAN-EFE) -- Eden Pastora and Jose Davila, leaders of one of the Democratic Revolutionary Alliance, ARDE, factions, today announced in this capital the presentation of a "unity plan" that will try to incorporate all the other anti-Sandinist forces.

The plan proposes establishing preliminary talks between three representatives: Pastora; Adolfo Calero, leader of the Nicaragua Democratic Force, FDN; and Arturo Cruz. The latter will act as representative of the "civic center", according to Davila's statements during a press conference.

On 20 March the proposal will be presented to the other armed groups that are struggling to oust the government in Managua. That date has been set as the deadline for the Sandinists to agree to a national dialogue with all the opposition forces, including the "counterrevolutionary" groups. The proposal [on that dialogue] was presented on 1 March by all the political and armed opposition sectors, except the sector of Eden Pastora, alias Commander Cero.

The anti-Sandinist armed opposition is currently divided into five groups. The FDN and Pastora's troops are the most important. However, at his press conference, Commander Cero affirmed that the anti-Sandinist forces "are not divided, but the U.S. State Department and its agent, the CIA, attempt to keep us divided."

"There is no bigger lie than to say we are not united," Pastora insisted, referring to recent criticism he received for excluding himself volunatrily from the anti-Sandinist dialogue proposal signed in San Jose on 1 March. In this offer, the opposition leaders committed themselves to recognizing Daniel Ortega as president of Nicaragua and to accepting a cease-fire, as long as the talks they propose are carried out positively. This proposal, known as the "Document of the Nicaraguan Resistance", was only revealed to Pastora by Arturo Cruz 2 hours before it was signed, said the rebel leader at the meeting with the reporters. He described the San Jose document as "inconsistent" with his principles. "That is enough for dialogue proposals," the rebel leader added.

Eden Pastora and Jose Davila arrived in this capital last Thursday to participate in a press conference given by the IAPA, which was holding its semi-annual meeting here. The rebel leaders are scheduled to leave Panama tomorrow.

CARTAGENA MEMBERS MEET, ISSUE COMMUNIQUE

PY191921 Paris AFP in Spanish 2013 GMT 16 Mar 85

[Text] Brasilia, 16 Mar (AFP) -- The foreign ministers and representatives of the member countries of the Cartagena Consensus today voiced in Brasilia their growing concern vis-a-vis the persistency of the adverse international economic conditions. This concern was expressed in a press communique released at the conclusion of a meeting that the representatives of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, the Dominican Republic, Peru, and Uruguay, the member countries of the Cartagena Consensus, held this morning in the Brazilian capital. Venezuela did not participate in the meeting. The communique states that the adverse international economic conditions continue prolonging the painful adjustment processes of recent years, accentuating the social conflicts and frustrating the expectations of the member countries. The communique adds that a political mobilization of the Latin American governments to prompt a rapid improvement of the international economic environment in all international forums and through holding talks with the creditor countries, an improvement which is not taking place through the current mechanisms of negotiating the foreign debt and the accompanying processes of adjustment, becomes even more imperative.

During the meeting, Uruguayan Foreign Minister Enrique Iglesias reported on the technical and reporting progress made by the pro tempore secretariat as requested at the last meeting held in Santo Domingo, especially concerning the task related to the forthcoming meetings of the IDB and those of the ad interim and development committees of the IMF and the World Bank that will be held in Vienna this month and in Washington in April, respectively.

The press communique states that during this meeting there was a general consensus that high-level political delegations of the members of the Cartagena Consensus must participate in those meetings to reconcile their positions with the Group of 24 [as received] and with the other Latin American countries in order to raise the views and the concrete proposals of the Cartagena Consensus. The communique adds that it was deemed appropriate to make a joint presentation concerning the issues of indebtedness, trade, and financing within an all-inclusive view of development problems during the meetings. In conclusion, the communique states that the members of the Cartagena Consensus have decided that they will continue coordinating their views after the committees meet in order to agree on future joint actions at regional and international levels in keeping with the objectives outlined in the meetings held in Cartagena, Mar del Plata, and Santo Domingo.

ECONOMY MINISTRY ON DETAILS OF IMF NEGOTIATIONS

PY171950 Buenos Aires BUENOS AIRES HERALD in English 17 Mar 85 p 1

[Text] Argentina and the International Monetary Fund (IMF) both wish to reach a rapid agreement in order to facilitate payment of the first 300 million dollars of the IMF stand-by loan agreed upon last year, according to an Economy Ministry statement released yesterday. The statement also revealed that an IMF team would be arriving here on March 25 in order to hammer out a final agreement.

The two sides further agreed to overlook one of the main stumbling-blocks to the provision of fresh money to Argentina when they decided to "suspend discussion as to how Argentina was reaching the targets set prior to December 31, 1984." According to the original agreement with the IMF, Argentina was set a 300-percent inflation ceiling between September 1984 and September 1985, i.e. an average of 12 percent per month, whereas inflation in the last three months of 1984, which are now to be overlooked, averaged 18 percent. Argentina must now meet the 1985 target of 150 percent inflation during this calendar year. The IMF is expected to concentrate its criticism on the first two months of this year since January inflation was 25.1 percent as against a maximum of 15 percent in the agreement last December and February inflation was 19.7 percent as against a 14.5 percent target. The statement said both sides were "worried" about these inflation rates. According to the statement the new understanding is the product of discussions on Thursday and Friday between Central Bank Chairman Alfredo Concepcion and IMF Director-General Jacques de Larosiere. The delivery of the 1.4 billion (thousand million) dollars IMF stand-by loan is crucial for the provision of a further 4.2 billion dollars by Argentina's creditors.

RIOS ERENU INSTALLS NEW III CORPS COMMANDER

PY151832 Buenos Aires TELAM in Spanish 1515 GMT 15 Mar 85

[Text] Cordoba, 15 Mar (TELAM) -- Army Chief of Staff General Hector Luis Rios Erenu today installed General Ignacio Anibal Ventura as the new commander of the III Corps. Ventura assumed the post at a ceremony held on the parade grounds of the Great Battle Unit command building located on the way to the town of Calera. Rios Erenu was the commander of this corps until the recent reform carried out within the military commands, when he was promoted to chief of the Army Staff.

Comments on Armed Forces Role

PY162005 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1305 GMT 16 Mar 85

[Excerpts] Cordoba, 16 Mar (NA) -- Army Chief of Staff General Hector Rios Erenu has said that the Armed Forces "do not influence political events, but they enforce final political decisions." Rios Erenu, who installed General Ignacio Anibal Ventura as the new Cordoba-headquartered III Corps commander on 15 March, urged the people to rule out any "concern" that the military "might promote alternative power cycles" in Argentina in statements made to reporters upon conclusion of the ceremony. The new Army chief of staff, who replaced General Gustavo Pianta, reiterated that the Army has regarded the designation of a high-ranking Air Force official as chief of the joint staff as "a natural and normal fact." When asked by a reporter whether the Army "will finally play its proper constitutional role," Rios Erenu replied that "the Armed Forces' role is perfectly established" in the Constitution. "The Argentine Republic has a political system that is established in the Constitution and in the law," and our country is trying to "implement that political system," he stressed.

NAVY LEADERSHIP MEETS, VOICES CONCERNS

PY160155 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0005 GMT 15 Mar 85

[Excerpts] Buenos Aires, 14 Mar (NA) -- The Navy leadership today proposed to Defense Minister Raul Borras the promotions to the rank of rear admiral of four captains in order to replace the four rear admirals who retired last week. Meanwhile, it has been announced that Commander of Operations Nestor Barrico will also retain for the time being his position as commander of the sea fleet.

Meanwhile it has been reported that the defense minister will meet with the members of the admiralty tomorrow at 0900. The motives behind the cancellation of the visit which he was scheduled to make to the Libertador Building this afternoon to meet with the Navy leadership have not been disclosed. The admirals met this afternoon with Vice Admiral Ramon Arosa, Navy chief of staff presiding, and analyzed a lengthy agenda which included the reshuffling of the leadership, budget allocations, and the affair of Lieutenant Astiz. The Navy issued a brief communique tonight reporting on the meeting and the changes which have taken place within the military leadership.

The four captains proposed for promotion are: Juan Carlos Anchezar, Emilio Osses, Rodolfo Tettamanti, and Enrique Cosentino, in addition to two whose promotions have been proposed earlier, Jose Maria Arriola and Roberto Luis Pertussio. Cosentino will take over as chief of staff of operations; Anchezar will be director of armament; Tettamanti will take over the Marine Corps; Osses will become Navy secretary general; Arriola will take over the Southern Naval Command; and Pertussio was installed today as director of the Navy War School. It has also been reported that Rear Admiral Nestor Carbonetti was appointed commander of Puerto Belgrano naval zone, while Nestor Barrico, the new commander of operations who was sworn in yesterday, will for the time being retain his position as commander of the sea fleet.

Borras' initial plan was to meet with the admirals this afternoon at the Navy headquarters, but Defense Ministry spokesmen reported at approximately 1600 local time this afternoon that the minister was going to see the admirals after they finished their meeting. According to information leaks the minister's idea is to bring into the meeting Defense Ministry Secretaries Horacio Jaunarena and Raul Tomas to discuss aspects related to human rights policy, production, and supplies.

The admirals continued meeting late into the night and it has been leaked that one of the main concerns of the Navy is the status of Lieutenant Alfredo Astiz, recently released by the Armed Forces Supreme Council. It was also reported that there is some concern over the situation of Admiral Armando Lambruschini, who is under arrest on orders of the Federal Court in connection with the case involving the investigation of responsibilities in the antisubversive struggle. A guerrilla group once attacked Lambruschini's residence and one of his daughters was killed. In view of this background the Navy feels that his arrest is unfair.

As for Astiz, naval circles believe that his case is an "example" of what could happen to other officers who have participated in the antisubversive campaign. Arosa stated yesterday that the principle of obedience applied to Astiz' case, because taking into account the rank which he held when the events he is being charged with took place, it was obvious that he merely carried out orders.

As to the budget allocations, Navy operational capabilities have been markedly reduced, there is a sustained exodus of qualified personnel, and flight and navigation times have been cut down drastically, which is a matter of great concern to the officers. Add to this the low salaries, and all this has led to general discontent, a situation which merited a detailed analysis by the admirals who will put it before the defense minister tomorrow.

COB-GOVERNMENT TALKS FAIL, MORE MINEWORKERS ARRIVE

PY181909 La Paz Cadena Panamericana in Spanish 1700 GMT 18 Mar 85

[Text] The dialogue between government and workers has failed miserably. The citizenry hoped that an agreement would be forthcoming to the demands of the Bolivian Labor Federation [COB] which has been holding an indefinite general strike for some days now calling for social justice from Hernan Siles Zuazo's Democratic and Popular Unity administration. Jose Justiniano Legeron, one of the main COB leaders comments:

[Begin recording] The position we will take after today's mineworkers' rally will probably be added to the agenda of the general workers congress which will be held at 1430 this afternoon at the headquarters of the teacher's union here in La Paz. There the working class [words indistinct] and the position it will take to compel the government to comply with the demands of the COB and the steps it will take if the former fails to do so. [end recording]

Jose Justiniano Legeron, in response to questions by this radio station, explained that the workers have began to implement other kinds of pressure to obtain the fulfillment of specific demands. He said that workers marches will be stepped up in keeping with COB instructions.

[Begin recording] [Justiniano] Today there will be marches by La Paz municipal workers and workers of other sectors as well. We also know that peasants from Oruro are to arrive tonight, and we are expecting 5,000 mineworkers to reach La Paz tomorrow.

[Reporter] Are the COB and the strike committee aware of the arrival of this new detachment of 5,000 mineworkers?

[Justiniano] Yes, it was said at the mineworkers meeting yesterday that whether or not the strike committee wants it or not, there will be 5,000 more mineworkers in La Paz tomorrow. [end recording]

These were the remarks of Justiniano Legeron, one of the main leaders of the COB, who said that the COB national congress will analyze the results of government-workers negotiations in the quest for a solution to the problems of the labor movement.

AMBASSADORS CONCERNED OVER LACK OF SECURITY

PY190122 Paris AFP in Spanish 2351 GMT 18 Mar 85

[Text] La Paz, 18 Mar (AFP) -- It was reported here today that the foreign ambassadors posted to La Paz have expressed their concern about the lack of security for their embassies. They did so after the attempt to kidnap Jaime Cacho Souza, the Peruvian ambassador.

The diplomats also expressed their displeasure over the duration of the indefinite general strike by employees of the National Telecommunications Company, which has left the consulates and embassies practically without communications with the outside world.

During the early morning of 17 March, the Peruvian ambassador in La Paz was taken by surprise by two unidentified individuals who shot at him at point blank range. The ambassador was able to react and grab a shotgun to chase his attackers away.

It has also been indicated that within the next few hours the ambassadors will release a document after holding a meeting at the Apostolic Nunciature.

FURTHER REPORT ON CONDITION OF TANCREDO NEVES

Doctor Notes Progress

PY181215 Sao Paulo Bandeirantes in Portuguese 1000 GMT 18 Mar 85

[Text] Contradictory medical rpeorts yesterday left the country in suspense. It all began when Dr Renault Mattos Ribeiro admitted the possibility that Tancredo Neves might be developing pneumonia. After that, the activities picked up speed at the base hopsital in Brasilia. Later, after X rays were taken, Dr Francisco Pinheiro da Rocha spoke to the journalists and denied the possibility of pneumonia.

[Begin recording] [Dr Pinheiro] The president does not have pneumonia. I want to point out that the president's latest blood count shows 11,000 leucocytes; the normal number is 10,000. A man who had a blood count of 18,000 leucocytes, and then 60 hours later is back down to practically normal makes me, as his surgeon, very pleased.

[Question indistinct]

[Dr Pinheiro] I cannot tell you when he will leave the hospital. He has no respiratory problems. The bulletin only said that [words indistinct] but I do not go into that because the interpretation is that of Dr Ribeiro as a clinician. He may have heard some noises, but these sounds have no relevance in view of the result of the X rays. [end recording]

The physicians attending Tancredo Neves will no longer grant interviews. This was a decision adopted by the Neves family after so much confusion yesterday. The press will be informed through medical bulletins only.

Neves Sees Daniel Ortega

PY181710 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 18 Mar 85

[Excerpt] The atmosphere here at the base hospital in Brasilia is calmer now. President Tancredo Neves received many important vistors today, among them, Daniel Ortega, president of Nicaragua. Neves' sister, a nun who is a professional nurse, was with him this morning and later said that her brother looks very well. The wife of Tancredo Neves, First Lady Dona Risoleta Neves, made this statement regarding the president's health:

[Begin recording] Because of the constant contact I have with him, I want to tell you this: Tancredo's condition is splendid. If he were not doing so well, I, as his wife, would not be leaving his side to do other things, never. He is in a good mood, talking, feeling good. Last night until midnight, he was talking with a large group. Now, he cannot see more people because we, his family, are protecting him so that he can have a few days of well deserved rest. [end recording]

Neves To Assume Office

PY182236 Porto Alegre Radio Guaiba in Portuguese 2155 GMT 18 Mar 85

[Text] President Tancredo is to go to Congress on 22 or on 25 March to assume his post. However, afterward he will return to the hospital to continue his recovery but will be able to work at the same time, according to Health Minister Carlos Santana. Santana denied reports saying that the president was in danger of developing a blood clot in a lung or pneumonia.

ACTING PRESIDENT DELIVERS ADDRESS ON NEVES' BEHALF

PY171534 Brasilia Domestic Service in Portuguese 1302 GMT 17 Mar 85

[Speech by President Tancredo Neves, read by Acting President Jose Sarney, during the first cabinet session held under the new Brazilian Administration at Government House in Brasilia -- live]

[Text] Ministers, congressional leaders: In my capacity as acting president, I have the honor to open the first cabinet meeting of the new Republic.

President Tancredo Neves had scheduled this meeting. All of us lament his absence. However, he has expressed a wish that the meeting be held in the interest of the country, because the country cannot wait:

Thus, I will read to the nation the words that President Tancredo Neves was to deliver here today. These are his words:

Ministers: This cabinet will have to undertake the task of implementing the political and socioeconomic changes included in our electoral platform. These changes reflect the most legitimate aspirations of Brazilian society.

This cabinet reflects a new special feature of the new Republic: the unity of the government, based on broad and significant party pluralism.

Today we jointly assume before the nation our solemn commitment to democracy and justice. We jointly pledge to seriously manage state affairs, devote ourselves to the service of our country, preserve respect for the people, and maintain the high values of our nation with firm determination.

Dignity and austerity are two essential rules that must preside over the exercise of democracy. These two rules will allow us to meet the unpostponable demands of our dignified and austere people.

Should the ethical imperative not be enough, major political reasons would compel us to follow this line of conduct. I am convinced that austerity by the government will be a decisive factor in making the great task of the transition to a constitutional democratic government a success, as is set forth in one of the most important chapters in the Democratic Alliance platform's letter.

The entire government will participate in the implementation of the economic policy, for which all cabinet ministers will be held responsible.

I will not give up my role as manager of the economic policy, and I will not let the cabinet divide into two sectors, those who seek austerity and those who promote spending. In my government, everyone, absolutely everyone, ministers and state-run company directors, will have to be equally committed to generating resources and curbing spending.

Should the government lack the willingness to impose on itself the same standards of conduct expected from the various sectors of society, it will lack legitimate authority and have no persuasive power. Only by giving an example shall we be able to inspire new confidence in our country's ability to build a great nation.

I was not the candidate of promises. Our campaign was not pushed ahead by the possibility of working wonders. I will not be a president who will awaken illusions, because it was not for this purpose that the people asked for immedaite changes with such strong determination and hope.

The Brazilian people will receive the government that they demanded and that would not have been installed without their unequivocal support. The ministers must realize that this will be a united, single government, because I will not allow it to become divided, separated, or uncoordinated and put in danger of losing its ability to act in the pursuit of solutions to our great national problems.

President Tancredo Neves says: As president of the Republic, I will not elude by duties in establishing the guidelines that will preside over the efforts of public administration in compliance with its mission. Obviously, these guidelines will not be set only at my will, which is not omniscient or omnipotent.

The guidelines will be set as well by the study and work undertaken by the ministers and their teams, who in turn will be guided by contributions from civilians and the legislative branch, as well as by the criticism of public opinion.

The ministers will help me design these guidelines and policies, and once they are set, the ministers will be responsible for implementing them through their own efforts, which will never lack presidential support and backing.

The president and vice president of the Republic, as well as the ministers of my government, will work closely with the National Congress. We will respect the prerogatives of Congress, and we will try to attach greater significance to the relationship between the executive and legislative branches by means of a frequent and constructive dialogue and our contributions, which will always be offered to Congress in its legislative and supervising task.

Likewise, I will have no fears of clearly informing the public of the difficulties we will face in solving our problems. The people must understand that there is a great difference between what the president wants and what he can actually do, particularly during this phase with scarce resources, a deficit in our internal and foreign accountings, and all sort of limitations.

We are not afraid of our responsibilities. We will not lack courage in confronting interests coming from any group, class, or sector of society, as long as this is necessary to ensure our task of promoting the common good and protecting our greatest national interests.

In order to preserve these high interests, we must preserve order. Without order, we will not go anywhere. Without order, there can be no progress, no democracy, no production, no social well-being. There can be no security for the citizen, his family, his city, or his state if changes are not implemented in order under the rule of law and the ethical values of society.

I am certain that since we make up a national integrated society we will be able to find through mutual respect and responsible dialogue the level of consensus required to reconcile conflicting interests.

In the quest for this great national understanding, the more judiciously we use the broad, open, equitable mechanisms stemming from democratic coexistence, the greater the success we will achieve.

Our domestic democratic coexistence should be reflected in our international relations. Brazil has always been ready to join efforts with the international community in the quest for a better world. We will willing to sit at a negotiating table as long as the objective being sought is in line with our concept of a more just world in which the interests of countries like ours are taken into account and the decisionmaking process is not controlled by a few countries.

We are going to work, Mr Ministers. Special committees are being created today to help the presidency comply with some of its most urgent commitments to the nation.

During our presidential campaign we heard strong demands for tax reform. This is a complex, serious issue. It is based on the clear lack of proportion existing between the amount of collectible resources and the multiple activities, and consequently expenditures, to be covered with public funds.

A high-level committee is being created to deal with tax reform and administrative and financial decentralization. Among the issues to be discussed by this committee is the overlapping of duties among the various public administration levels, a redundancy that should be eliminated through the better distribution of duties among these administrative levels with the strengthening of actions by state and municipal governments.

This committee will also focus on the need to make the national tax system more just, thus seeking a more realistic approach to what a taxpayer can pay and what he must pay. This work will serve as a basis for the proposals to be submitted to the legislative branch and, eventually, to the national constituent assembly.

Another important issue deals with the fiscal incentives granted by the government to less-developed areas and to the weaker sectors of the economy. Since these resources are limited, they must be immediately concentrated on priority activities, particularly those that will create new jobs in those areas.

At the same time, a commission has been created to make an evaluation of the incentives and of the results of these incentives, with a view toward making suggestions for restructuring and improving the incentive system. This will allow us to formulate more reasonable criteria for the use of incentives in the development of the weaker sectors.

During my campaign I also detected a strong feeling of condemnation for the lack of protection for the people's savings, President Tancredo Neves says.

In some recent cases, thousands of people, whose savings in the final analysis represent society's praiseworthy efforts to invest in the future, have been harmed by unscrupulous agents who took advantage of deficiencies in the laws and inefficient supervisory procedures.

It is unacceptable that such resources, many times painstakingly saved and confidently handed over to be invested, should be managed in such a criminal manner and that those who are responsible for it should go unpunished.

We, therefore, have created a commission that will create a draft law that will establish the responsibilities of the managers and supervisors of financial institutions, that will classify the crimes against the people's economy, and that will establish appropriate penalties. This will restore the confidence that society must have in the institutions and in the people who manage these resources.

We have also created a commission to be presided over by the chief of the planning secretariat of the Presidency. This commission will look into the subsidies granted by the federal administration and by state-run companies. This measure follows the line of austerity that I will demand from all government sectors.

The so-called expense accounts are one of the more detestable symbols of abuse and heavy-handedness.

The time has come to make a full study of this situation and to propose proper measures to reduce these prerequisites to the essentials while respecting the dignity of public office and the requirements of efficiency.

Following this same line of thought, we are organizing a committee that will analyze the payments in dollars to the different state employees working abroad. We are also studying the problem of the many budgets, to which I have often referred and which enormously hinder administration and public finances.

Only one of these many budgets is subject to congressional approval while the rest are independently decided upon. The existence of these many budgets not only goes against the fundamental precept of democracy but also hinders the actions of a coordinated government policy, misusing resources that would otherwise be meant for other priorities, and, worst of all, it represents a source of inflation, because expenses are authorized without the proper banking of revenues.

Likewise, I would like to stress the importance of giving great priority to the studies for the reform of the national education system, including the universities. At the request of the numerous petitions made during our campaign, we have established a high-level committee, whose members will be announced by the education minister and myself, that will study the situation in this field and make proposals that will be considered immediately.

The principal objective of my presidency is to attain the constitutional reorganization of the country. We must assert a political order over democratic legitimacy. This is a deep national aspiration.

The new constitution that will definitely institutionalize democracy in Brazil must be subject to our economic and social conditions, the nature of our people, and our legal tradition. It must also reflect a broad consensus by all sectors of society.

Therefore, it is necessary to create channels that will promote a broad consultation and a great national debate. Keeping this objective in mind, in the next few years I will also be creating a constitutional committee at the highest level which, listening to society, gathering suggestions, and negotiating with leaders of the various sectors, will draft the outline of a constitution.

To achieve the objective of building a more just and prosperous society, our main task will be to reconcile the curbing of inflation with the resumption of development. I have already issued a warning about the threat the inflationary process poses to our prospects for resuming development and to our objective of creating new jobs, of paying the workers better, and of distributing the national income more adequately.

In fighting inflation and in promoting the resumption of economic growth, we will obviously have to bring the foreign and domestic debt into balance. These efforts must be projected taking into account our large debt, that is, the social debt we Brazilians have contracted with all those who are living either on the borderline of poverty or in poverty.

The fight against inflation requires not only courage and dedication but also the coordination of a just social pact in which each sector can see that it will ultimately receive benefits commensurate with its efforts. It also requires that selfish individual or group objectives be put aside for the sake of the highest national interests.

To ensure that everyone engages in the fight against inflation, the distribution of the burden of the anti-inflationary policy must be made compatible with the possibilities of each individual. The government must also do its share by improving the productivity of its public expenditures.

There has been a trend that at the beginning of each administration those personalities appointed to head ministries and state-owned enterprises would immediately announce overambitious plans and large projects. Experience has taught us that overambitious plans are short-lived, create short-lived hopes, and bring frustrations that undoubtedly have adverse effects on the entire government.

The announcement of this type of program without a solid base that would guarantee its implementation will ultimately result in making the initial expectation a great disappointment.

The government should not announce over ambitious plans, new programs, or new projects without first making an immediate evaluation of the financial status in the public sector. Before announcing the implementation of any program involving the application of financial resources, each minister must verify the possibility and availability of funds, the funds allocated for this program, irrespective of whether these expenditures are to be carried by his ministry or by a state-owned enterprise subordinate to his ministry. These are recommendations made by President Tancredo Neves to his ministers.

The government should not announce anything that cannot be implemented, nor should it deceive the people with promises it will not be able to keep.

Therefore, during the first 3 months of our administration each minister should conduct a study of the financial status of his ministry and of state-owned enterprises subordinated to it. And, once he has verified the financial resources available, he must establish through a joint effort with the presidential planning secretariat those priorities to be attended to with these funds, keeping in mind primarily the objective of economic development, the creation of jobs, and a better distribution of income.

Before this study is conducted, and before the list of priorities for investments is established, I want to call the ministers' attention to this point, according to the guidelines of my government's program, the order imparted by President Neves is: All expenditures are prohibited.

The subsequent reorganization of state-owned enterprises will be designed to meet the basic needs of the people. I want to reaffirm here my conviction that to resume growth means to create jobs, and it is in this direction that we intend to apply those funds that are today squandered as nonurgent projects, unjustified consumption, and programs yielding poor or no results.

Thus today we are beginning our effort to resume development and our fight against inflation. There can be no development if the inflationary process is not brought under control. Should the current inflationary trends persist, we will be forced into intolerable conditions which would have bad consequences for everyone. Let us wage an all-out fight against this process and let us reverse its trend. Let us make inflation fall once and for all.

In its first cabinet meeting, the government of the new Republic issues a guideline asking that spending be reduced, thus attesting to its austerity line.

President Tancredo Neves goes on to say that:

I now call upon Brazilian business sectors, which have proven to be highly patriotic, to cooperate in the national struggle against inflation. I recognize that profits are the prize for efficiency and the driving force of the economy. Yet I strongly repudiate profits made through speculation or opportunistic procedures. I want to see the business sectors join this austerity program, avoiding price hikes on the basis of expected future inflation and supporting the government's actions against the practices that harm the public interest and welfare.

Ministers, I want to invite you to visualize in the not too distant future a nation in which the insecurity caused by misery, ignorance, and unemployment has been eliminated, a nation in which all the people can hope for and reach an improved standard of living. Through their own efforts a nation in which the less fortunate and the more poorly qualified should not be condemned to remain outside society but should be helped to achieve their integration into society, a nation whose small and medium-sized cities, countryside, and large cities should feel the pride of their ability to have properly organized the distribution of the wealth generated at their initiative and with their work, a nation that after meeting the people's basic needs and their leisure and consumption aspirations should also have a surplus to invest in the permanent improvement of its living standards.

It is essential that we become aware that this is not a utopian dream. The building of that nation is within our reach. We must release all the energy and will of our people into the great joint task in search of progress.

Let us join forces. The government's main role will be that of inducing development. The private sector will have to take into account the areas in which no action has yet been taken, both in our territory and in our economic system, and will have to open new horizons through innovation and through the willingness to take risks. In this regard, I want to launch an appeal particularly to small and medium-sized farmers and businessmen, asking them to occupy their strategic place in the economy, with the certainty that the government will lend them all kinds of support within its means.

I summon the cabinet of the new Republic to work for this great national task. For this bold task, we will add our indestructible faith; for our exercising power, we will add a spirit of social justice. We will combine the practice of persuasive debates with intransigence in defending public order.

I request the Brazilian people to continue giving us their support for this difficult task. Each citizen must focus his actions toward achieving, within social peace and harmony, the high objectives that we jointly established in public squares throughout our memorable public campaign for democracy.

The final words of President Tancredo Neves to his cabinet and the Brazilian people: Each Brazilian should do his best to conscientiously discharged, his unquestionable duty in building the future of this country for his children and for himself.

GREEK LEADER MEETS WITH NICARAGUA'S ORTEGA

NC162029 Athens Domestic Service in Greek 1930 GMT 16 Mar 85

[Report by Spiros Metaxas -- recorded]

[Text] The 7-day official visit by a Greek delegation to Uruguay and Brazil ended with significant, positive steps for closer relations between Greece and Latin America. Karolos Papoulias, alternate minister for foreign affairs, headed the delegation. He stressed the significance of these visits for the development of relations between Greece and Latin America. The existence of active Greek communities in Uruguay, Brazil, and other Latin American countries, Papoulias said, facilitates the Greek Government's efforts to achieve its goals.

Karolos Papoulias met this morning with Nicaraguan leader Daniel Ortega. Papoulias was briefed on Nicaragua's most recent proposals to the United States which, as he said, he considers conciliatory and positive in the search for a peaceful solution to the Central American crisis.

DANIEL ORTEGA CONDEMNS U.S. 'AGGRESSIONS'

PY162225 Madrid EFE in Spanish 2128 GMT 16 Mar 85

[By Francisco Roque Bacarreza]

[Text] Brasilia, 16 Mar (EFE) -- Nicaraguan President Daniel Ortega said today that the Contadora peace effort will make no progress if the dialogue between the United States and Nicaragua is not resumed.

He made this statement during a press conference held in Brasilia, during which he repeatedly condemned the aggressions of the Reagan administration.

Ortega reiterated his government's support of the peace-seeking efforts being made by Mexico, Colombia, Panama, and Venezuela, but pointed out that the U.S. policy has hindered the process.

He once again called for direct negotiations with Washington, something which Managua has sought for over 2 years.

Ortega confirmed in Brasilia that he did not meet Vice President George Bush because the steps taken by the Nicaraguan Embassy in Washington went unanswered.

A spokesman for Vice President Bush yesterday told EFE in Washington that the meeting did not take place because of disagreements over the probable agenda.

A meeting in search of agreement is much more necessary when there is discord, Ortega said in a strong tone during a press conference in which he was accompanied by Foreign Minister D'Escoto.

He said that the U.S. Government is intransigent and that it has refused to engage in a dialogue with Nicaragua.

Ortega is keeping a busy schedule, meeting with his peers who are in Brasilia attending inauguration ceremonies.

Within that framework, Ortega met with Argentine President Raul Alfonsin, with Uruguayan President Julio Maria Sanguinetti, with Ecuadoran President Leon Febres Cordero, and with Brazilian Acting President Jose Sarney, besides meeting with other international political personalities.

The Nicaraguan head of state today urged the Latin American nations to persuade Washington to seek a dialogue and peaceful solutions to the Central American problems within the boundaries of the people's self-determination.

After the meeting that he held with Brazilian Acting President Jose Sarney at Planalto Palace, Ortega stated that the return of Brazil to democracy entails a contribution to the democratic stability of the region.

During an 18-minute press conference in which the Sandinist delegation refused to be seated, Ortega accused the Reagan administration of seeking to reinstate Somozaism in Nicaragua.

Ortega also charged Washington with being responsible for the killing of 160 children and over 6,000 Nicaraguan youth, elderly, and workers, through the support that it grants to the counterrevolutionary groups.

Finally, Ortega voiced his interests in meeting immediately with his Costa Rican counterpart, Luis Alberto Monge, either in Managua or in San Jose, and stressed the wish of the Costa Rican president to seek a bilateral dialogue to guarantee peace in the subregion.

D. ORTEGA CLARIFIES PROBLEM WITH ECUADOR

PA181450 Managua Radio Sandino Network in Spanish 1200 GMT 18 Mar 85

[Text] Brasilia -- Nicaragua and Ecuador will work to strengthen their relations after having clarified situations that led to a misunderstanding, said Nicaraguan President Daniel Ortega Saavedra after meeting with Ecuadoran President Leon Febres Cordero. In recent days there has been some speculation that the U.S. blocked the departure of the Ecuadoran oil shipment destined for Nicaragua. It has been made perfectly clear that the conflict was due to technical problems and not political reasons, the president said.

ECUADORAN PRESIDENT LEAVES BRASILIA FOR HOME

PY171626 Paris AFP in Spanish 1605 GMT 17 Mar 85

[Text] Brasilia, 17 Mar (AFP) -- Sources at the international airport have reported that Ecuadoran President Leon Febres Cordero today returned to the Ecuadoran capital after concluding his 3-day visit to Brasilia to attend the installation of Acting Brazilian President Jose Sarney.

FRG'S GENSCHER ACCEPTS INVITATION TO NICARAGUA

LD171218 Hamburg DPA in German 0908 GMT 17 Mar 85

[Excerpts] Brasilia, 17 Mar (DPA) West German Foreign Minister Hans-Dietrich Genscher ended a 1-week South American trip on Saturday and returned to the Federal Republic from Brasilia.

On the sidelines of the ceremonies in Brasilia, which the President-elect Tancredo Neves had to miss because of an appendix operation, Genscher was involved in lively diplomatic activities. He met, among others, U.S. Vice President George Bush, Argentine President Raul Alfonsin, and Nicaraguan President Daniel Ortega.

Genscher accepted an invitation by Ortega to visit Nicaragua.

The date is to be settled later. Foreign Office spokesman Juergen Chrobog said that Genscher spoke of the great disappointment that can be seen now in the German population about developments in Nicaragua since the Sandinist revolution, which had at first been welcomed by broad circles. Genscher urged that now the process of national reconciliation in Nicaragua with the inclusion of all forces be seriously pursued.

ANGOLAN ENERGY MINISTER ATTENDS CEREMONIES

MB151756 Luanda ANGOP in French 1600 GMT 15 Mar 85

[Text] Rio de Janeiro, 15 Mar (ANGOP) -- An Angolan delegation headed by Mr Pedro de Castro Van-Dunem, the minister of energy, has been in Rio de Janeiro since Wednesday to attend the inauguration ceremony of Mr Tancredo Neves as the new Brazilian head of state.

The Angolan minister of energy is also the chairman of the Angolan side of the joint commission for cooperation between the two countries. Mr Venancio de Moura, deputy minister of external relations, and Mr Fragata de Morais, director of the Latin America department of the Angolan Ministry of External Relations, are also included in the delegation.

MOZAMBIQUE'S VELOSO DISCUSSES RELATIONS

MB190642 Maputo Domestic Service in Portuguese 0400 GMT 19 Mar 85

[Text] The new Brazilian authorities have told Mozambican Minister of the Presidency for Economic Affairs Jacinto Veloso they wish to expand bilateral relations between the two countries. This is the conclusion reached by Mozambican Minister Jacinto Veloso during talks in Brasilia with cabinet officials of Tancredo Neves, who was recently elected president of the Federative Republic of Brazil. Speaking to a MOZAMBIQUE NEWS AGENCY correspondent in Brazil, Jacinto Veloso said he had noticed a great deal of willingness and interest in expanding Mozambican-Brazilian relations, and a lot of interest, admiration, and respect for President Samora Machel.

Mozambique-Brazil cooperation began to take shape in June 1980 when Brazilian Minister of Foreign Affairs Saraiva Guerreiro visited Maputo. At that time Brazil granted a $2.50-million credit line to Mozambique, which was partially spent on locomotives for the Mozambique railways. The credit line was valid until 1983. The cooperation also covers the training of medium-level secretarial and printing workers, among others. The Eduardo Mondlane University of Maputo and the Rio Grande do Sul University of Brazil also signed a cooperation agreement.

FOREIGN MINISTRY STUDYING U.S. LOAN VOTE

PY190159 Santiago Radio Chilena in Spanish 2300 GMT 18 Mar 85

[Report from Foreign Ministry by Jose Francisco Contreras]

[Excerpt] The Foreign Ministry is studying the background information supplied by U.S. Ambassador to Chile James Theberge about the U.S. abstention on the vote to grant a loan to Chile. This afternoon Foreign Ministry spokesman Marcelo Padilla referred to the statement by the U.S. ambassador a few days ago that the United States had abstained from voting for a World Bank credit to Chile worth $11 million. According to James Theberge, the United States adopted this decision to stress its concern over the press censorship and the lack of freedom of speech in Chile. Theberge added that the U.S. abstention [passage indistinct] he informed about the position of his government to Foreign Minister Jaime del Valle. Asked about the matter, Marcelo Padilla replied that the ministry is studying the decision of the U.S. Government, although this is an internal decision of that country and there is no place for Chilean interference.

UN HUMAN RIGHTS COMMISSION ACCUSED OF BIAS

PY161450 Santiago Domestic Service in Spanish 1109 GMT 16 Mar 85

[Report by Hugo Reyes]

[Text] Chile has accused the UN Human Rights Commission of political bias. This has always been so, according to Marcelo Padilla, a spokesman of the Chilean Foreign Ministry, when he was asked about the vote that the commission held in Geneva. He said that every year the Chilean case is politically managed. When asked the probable reason for this attitude by the commission, he replied: The politicization of international organizations and the double standard applied to our country on human rights questions.

FINANCE MINISTER ON TALKS WITH CREDITOR BANKS

PY170015 Santiago Domestic Service in Spanish 1730 GMT 16 Mar 85

[Text] Finance Minister Hernan Buchi has returned to the country from the United States. Buchi was met at the international airport by Economy Minister Modesto Collados. He summarized the outcome of the negotiations held in Washington and New York as follows:

[Begin recording] First there were the scheduled meetings with international organizations including the World Bank [words indistinct]. They have general information on the issues. I understand that the economy minister held a press conference 3 days ago. There was great receptiveness on the part of the IDB and the World Bank. I understand that an IDB mission is already in Chile to make things more flexible in order to cooperate with the reconstruction after the earthquake. [passage indistinct] With regard to the banks, we have started negotiations with them [passage indistinct]. [end recording]

Buchi referred to the flexibility expressed by the IDB and the World Bank to reassign some credit lines approved by these organizations for Chile for the reconstruction of the areas affected by the earthquake. Buchi also alluded to the fact that the IMF has increased from 3 to 3.5 percent the fiscal deficit foreseen for 1985 in the agreement that has recently been ratified.

[Begin recording] [Passage indistinct] There is a good possibility [passage indistinct]. [end recording]

Half a point means that the treasury may incur an additional $100-million debt in order to assign those funds for the reconstruction. The agreement signed with the IMF is of the so-called extended facilities type, that is, for a 3-year term. On the other hand, Buchi has started the talks with the international banks seeking to renegotiate the foreign debt and to secure new credits. During these talks, Buchi also raised the point that this year the country has credit faciltiies totaling some $1.05 billion.

[Begin recording] The main point that I have raised before the creditor banks is our need for refinancing. At this time we are renegotiating for which reason I am asking you...[interrupted by unidentified reporter, then fades out] [end recording]

During all his talks, Minister Buchi described the consequences resulting from the earthquake of 3 March.

INTERIOR MINISTER SAYS CURFEW TO CONTINUE

PY181430 Santiago Domestic Service in Spanish 1100 GMT 18 Mar 85

[Text] Interior Minister Ricardo Garcia has stated that the curfew will be maintained for as long as necessary. He made this statement during a press conference in which he reported on the status and the progress made concerning the emergency caused by the earthquake of 3 March. Garcia added that this was merely a step aimed at cooperating with the needs of the citizenry so that the actions that must be taken can proceed in the best possible manner. Finally, Garcia stated that in some zones the traffic restrictions had already been reduced and that as the country returns to normal, the curfew will gradually end.

State of Emergency Extended

PY181545 Paris AFP in Spanish 1440 GMT 18 Mar 85

[Text] Santiago, 18 Mar (AFP) -- It was officially announced today that the Chilean military government has extended the state of emergency throughout Chile for another 90 days beginning 19 March. This measure is provided for by the Constitution to cope with cases of serious disturbances of public order, of damage, or of danger of national security originating either internally or externally. For as long as the decree is in force, President Augusto Pinochet may order restrictions on press freedom and speech, impose traffic restrictions, ban people from either entering or leaving Chile, and censor the mail and communications.

Besides the state of emergency, which has been continuously in force for years, a very strict state of siege, which was reinstated in November 1984, and the state of danger of domestic disturbance, which has been extended every 6 months since 1981, are also currently in force. This group of extraordinary measures effectively suspends the individual rights of the Chilean population of 11.4 million inhabitants and allows for drastic actions against the opposition to which Pinochet said has subversive intentions.

'TERRORIST ATTACKS' REPORTED IN WAKE OF QUAKE

PY190152 Santiago LA TERCERA DE LA HORA in Spanish 9 Mar 85 p 4

[Text] A report on shameful and outrageous terrorist attacks that took place on the days following the earthquake has been released to the public, who received it with amazement and revulsion at a moment when the country is in pain and recovering from the deep economic and social wounds caused by the quake.

The list of terrorist attacks carried out by the sick minds of "subhuman" persons, as one authority labels them, who find no place in our Western culture, began with an attack that took place at dawn on the day of the earthquake when a dynamite charge exploded in a Citroen car parked on Santa Laura Street in the Conchali District. At the same time, a Temuco bus terminal was robbed and its night watchman was killed.

The crazy escalation continued on 4 March when terrorists, members of the "Emilio Recabarren" Commando, set a bomb that exploded on a railway line 3 km south of Rucapequen station in Chillan District, damaging the ties and cutting the rails. That same day, armed persons, using a stolen taxi, robbed the Maranata bakery in Hualpencillo, Talcahuano, and stole 500,000 pesos. Unidentified persons caused an explosion damaging the ties and the rails of the southern end of the Coihue railway bridge in Nacimiento District, Biobio Province.

On 5 March a group of unidentified persons set an explosive at the door of the comptroller's office at 48 North First Street in Talca. Pamphlets of the Manuel Rodriguez Patriotic Front [FPMR] were found near the site of the device, which was defused by security personnel. On that same day a bomb went off in front of a Chilean Telephone Company building at 4547 O'Higgins Avenue in Santiago, causing no damage.

Meanwhile, two bombs exploded in front of a state bank branch in Lota Bajo, 8th Region, breaking 15 windows and injuring 14-year-old Gerado Grandon Onate, who was taken to Lota hospital. On 6 March the security chief of the Electric Power Office in La Serena reported that two supports of tower 178 of the Volos-Pan de Azucar network in the Mincha District of Choaha Province were destoryed by an explosion, and more explosives on the remaining two supports did not go off.

While a group of female volunteers were helping poor people, a group of 50 men and women staged a demonstration in the Plaza Italia in Santiago under the pretense of celebrating International Woman's Day, according to the National Social Communications Agency. Public forces cleared the area without arresting anyone.

At the same time, several explosions took place in various areas of Santiago. A bomb exploded at 1830 hours in a vacant lot near the Pila de Ganso subway station, at the north corner of the intersection of Gen Vazquez and Alameda Avenues, but without injuring anyone. Another bomb exploded at 1854 hours on the street near Los Heroes subway station. An 18-year-old worker was seriously injured during this attack and was taken to the central hospital. Finally, another bomb exploded at the intersection of La Recoleta and Uno Sur Avenues near Zapadores, in a bus on the Recoleta-Live route with license plate HAK-215. Fortunately, no one was injured during this attack.

[Paris AFP in Spanish at 2011 GMT on 14 March reports: The FPMR today said that the alleged attacks that took place in Chile after the earthquake on 3 March are an invention of President Pinochet's government. In a note, the FPMR says that the government is just creating a smoke screen for its insensibility and lack of support to those affected by the quake. Minister Secretary of Government Francisco Javier Cuadra has attributed the attacks, which took place in public places and transport services, to the FPMR, the official armed wing of the Communist Party. According to the FPMR communique, no members of this organization sabotaged or conducted armed actions on the days following the quake. It is recalled that the FPMR favors guerrilla warfare against the Chilean military regime, and during the last few years it has been responsible for most of the terrorist attacks in Chile."]

M-19'S FAYAD ON TRUCE, ELECTIONS, AMNESTY

PA151352 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 15 Mar 85

[Report by Juan Guillermo Rios]

[Text] Bogota -- Alvaro Fayad, top leader of the 19 April movement [M-19], announced at dawn today that truce agreements signed with the government were broken. Fayad said that the government broke those agreements. During a press conference attended by newsmen Antonio Caballero, Maria Jimena Dussan, Laura Restrepo, Maria Lusia Mejia, and Juan Guillermo Rios, Alvaro Fayad said that nevertheless, the M-19 firmly maintains its inclination toward peace and will strive to achieve peace.

The following is a summary of what Alvaro Fayad said: The truce agreements were broken and, according to the M-19, the government is to blame. Alvaro Fayad said that the government violated every pact and agreement signed with the M-19. He added that in order to resume talks with the president or the government, the president must first state whether he will really discuss peace and, above all, the government and the president must carry out actions which will lead to peace. Fayad explained that peace-seeking actions involve great reforms needed by the country; however, and most importantly, a national dialogue must take place and as long as this does not happen there will be no dialogue.

He added that Government Minister Jaime Castro and National Dialogue Coordinator German Bula Hoyos have become obstacles to peace and should therefore resign their posts.

Fayad believes that the government has stepped down from the train of peace and that the president is doing the same. As for the M-19, he reiterated that he is the No 1 man. He said that the movement is in the process of transforming itself from a guerrilla organization to an army. Fayad also said that as a political organization, the M 19 is a movement not a party. As for the kidnappings, Fayad said that the group had not kidnapped anyone since the peace agreements were signed. He condemned kidnappings as well as terrorism.

As for laying down their arms, Fayad said that they will not do that because he believes that would be a humilitating. He added that no peace agreement signed with the government specifies a commitment to lay down arms. He said that the demand that they lay down their arms constitutes blackmail.

When Fayad was asked whether the M-19 would participate in parliamentary elections, he replied that this has not yet been defined because more important issues for the future of peace and the nation must first be decided.

Alvaro Fayad said that he definitely believes that an overall peace agreement will not be signed with the government unless the president himself implements peace-seeking actions such as great social reforms. When asked what those social reforms are, Fayad said that they are minimum reforms; they are the ones we proposed when Rodrigo Escobar Narva was government minister.

Fayad added that the M-19 will sign a peace agreement with another government in 1986. Asked whether the M-19 would sign a peace agreement with whoever wins the election namely Alvaro Gomez or Virgilio Barco, he replied: No, because in 1986 a different popular force will be in power and we will sign a peace agreement with that force. Finally, Fayad said that the M-19 maintains its determination to achieve peace and that it will not give up its objective of achieving and consolidating peace in Colombia.

Questioned about the amnesty, Fayad said: It is unimportant to the M-19. However, it would be all right with us if it is approved. It would also be all right with us if it is not approved. To us, that is a matter of third of fourth order.

Fayad addressed newsmen without his unform and weapons, and he noted this to the media representatives present.

MARINO OSPINO ANNOUNCES PRESIDENTIAL CANDIDACY

PA162126 Madrid EFE in Spanish 1036 GMT 16 Mar 85

[Text] Bogota, 16 Mar (EFE) -- The Colombian guerrilla organizations, in M-19, and the Revolutionary Armed Forces of Colombia (FARC), believe that the current peace process is encountering serious difficulties.

The tensions between the government and guerrilla representatives have increased since the M-19 and FARC spokesman began to insist on not surrendering their weapons because this was not included in the agreements.

The FARC leaders, led by Manual Varulanda Velez (Tirofijo), have declared that their 27 fronts will remain armed. Likewise, M-19 guerrilla leader Alvaro Fayad Dalgado has said that the government is the one breaking the truce and he had accused Senator German Bula Hoyos, the government's coordinator for the dialogue and neogtiations commissions, of hindering the peace process.

Meanwhile, a demonstration for peace and democracy called by the M-19 was held in Bogota's downtown Bolivar Plaza. The plaza was decorated with huge photographs of Simon Bolivar and Jaime Vateman Cayon, supreme M-19 leader until his death in an airplane crash in Panama in 1983. During the event, which was peaceful and drew a crowd of approximarely 7,000 persons, the presidential candidacy of Ivan Marino Ospino, member of the M-19 supreme command, was announced.

25-MEMBER FARC GROUP SEIZES TOWN

PA181915 Bogota EL TIEMPO in Spanish 12 Mar 85 p 2 A

[Report by Edison Parra Garzon]

[Text] Pasto, 11 Mar -- Twenty-five FARC members today seized El Palmar in the jurisdiction of Leiva municipality, northwest of Pasto.

The local authorities said that the guerrillas asked the residents to join them and that during their approximately 1-hour long harangue they urged the residents to cooperate with the drug trafficking groups that operate in the region. They also demanded food, drugs, money, and horses. They also asked for the help of youths to serve as guides. The police reported that there were no violent incidents during the seizure.

WEAPONS CACHE INTERCEPTED AT PANAMANIAN BORDER

PA152301 Madrid EFE in Spanish 0413 GMT 13 Mar 85

[Text] Bogota, 12 Mar (EFE) -- A spokesman for the Defense Ministry has reporred in Bogota that Colombian authorities today confiscated a large weapons cache at the Panamanian border. According to the source, an Army patrol intercepted an arms shipment sent from abroad to some guerrilla group, in a jungle area in the locality of Jurado, in Choco Department. The source added that an inventory revealed that the shipment consisted of carbines, rifles, machine guns, ammunition, three sets of radio equipment, and a transmitter. It was not reported whether any arrests were made during the operation.

PRESIDENT RETURNS FROM BRAZILIAN INAUGURATION

PA181420 Quito Voz de los Andes in Spanish 1130 GMT 18 Mar 85

[Text] In the course of an impromptu speech delivered after arriving in the capital from Brazil, Ecuadoran President Leon Febres Cordero asserted that during the first moments of 22 March, the government will duly implement the wage increase decree, which is solidly financed. Speaking from the balcony of the Presidential Palace, Febres Cordero indicated that this decree will improve the living conditions of the Ecuadoran people and workers without incurring excesses which have shown us how quickly they can lead the country to poverty and destitution.

Febres Cordero and his official party arrived in the capital at 1520. Vice President Blasco Penaherrera and other high-ranking civilian and military government authorities received them at the Ecuadoran Air Force terminal. Later, the president led a motorcade toward Independence Plaza.

Addressing the hundreds of supporters and followers that turned out to greet him, the president reiterated that his government will continue to act in accordance with the laws and the Constitution. I can assure you, he said, that we will continue working and struggling on behalf of the humble men of our homeland, and that we will continue working every day to construct the roads you need, to supply you with potable water, and to look into all the problems that oppress Ecuadoran society.

ENERGY MINISTER ON CRUDE OIL SALE TO U.S.

PA141639 Quito Voz de los Andes in Spanish 1130 GMT 12 Mar 85

[Text] Xavier Espinosa, minister of natural resources and energy, said that Ecuador would only sell oil for U.S. strategic reserves under long-term contracts and at the official price of $26.50 per barrel. This official statement came in reply to U.S. Government plans to buy Ecuadoran crude to beef up its strategic reserves that were voiced here by Secretary of State George Shultz to President Leon Febres Cordero during a visit a few days ago. The announcement indicated that the U.S. Government would buy 40,000 barrels of oil per day under those conditions.

According to Espinosa, oil for industrialized countries strategic reserves has always been acquired from the spot or occasional market, and many of the OPEC countries have provided oil for those nations.

As expected, Ecuador will negotiate the sale of 47,000 barrels per day of excess oil from its total export of 141,000 barrels under long-term contracts in the next few days. The United States is reportedly studying the possibility of participating in an international auction convoked by the Ecuadoran State Petroleum Corporation.

BRIEFS

BANK CAPITAL, RESERVES -- Banking authorities have reported that private banks increased their capital and reserves by 23.4 percent between 31 December 1983 and 31 December 1984. Capital and reserves increased from 12.429 billion to 15.342 billion sucres, amounting to a net increase of 2.913 billion. One-fifth of that increase reflects a surplus resulting from a revaluation of fixed assets. The 23.4-percent increase is lower than the inflation rate. Therefore, in real terms there was actually a decrease. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 11 Mar 85 PA]

CITE LEADER ON STATE EMPLOYEES DEMANDS

PY152255 Lima Cadena America Television in Spanish 0230 GMT 15 Mar 85

[All figures as heard]

[Text] On the night of 14 March, the Intersectorial Committee of State Workers [CITE] adopted a more flexible stand on its demands. State Workers Union Secretary General Raul Vargas Caballero has stated that the demands made by the public servants have been reduced by 50 percent. He stated that this attitude has been adopted to (?end) the strike which started 10 days ago.

Vargas Caballero made statements to the press after the conclusion of a meeting held between CITE and a special negotiating commission appointed by government.

[Begin recording] [Vargas Caballero] Obviously, we have made an assessment of all of our demands. Our demands total 5 to 5.5 million soles. However, we have held a national meeting and we have discussed a flexible position to be adopted in the direct negotiations and we have reduced our demands to 2.7 million, which, distributed in an economic package, involve increased salaries, compensation by special, supplementary payments to the basic salaries in effect, paid vacation, July-December bonuses, supplmental payment for the recession, travel allowances, and a special bonus for each sector. All this totals 2.7 million soles.

[Reporter] For a better understanding...[rephrases] For the almost 400,000 workers, how much would that increase be for [words indistinct]?

[Vargas Caballero] An average of 750,000 soles for each worker.

[Reporter] How do you respond to the argument that there is no money to meet the workers' demands?

[Vargas Caballero] We believe that the proposal made by the government is not sincere at all because the government had already earmarked a given amount and the only thing that they did was to let us know what they had earmarked for this year. The government did not make any extra efforts. On the other hand, we have presented a few alternatives for financing the increase to prevent the solutions to our demands from being shouldered by the people, that is, by the raising of gasoline prices. We are certainly against this. This will lead to more inflation and a rise in the cost of living. We want the government to finance...[rephrases] We want it to not pay the interest on the foreign debt and we want the oil and mining enterprises to not be exempt from paying taxes because the tax that was put into effect to stimulate those enterprises no longer applies. Virtually no investment has been made in recent years and it is no longer justified for the state to continue giving tax exemptions to those enterprises. [end recording]

Cabinet Approves Salary Hike

PY161830 Lima Cadena Panamericana Television in Spanish 0200 GMT 16 Mar 85

[Excerpt] The cabinet has approved three government decrees establishing salary increases and bonuses for public workers. It has agreed to grant a salary increase of 90,000 soles as of 1 April, plus a bonus for transportation and food of 110,000 soles per month as of 1 March. The announcement was made by Prime Minister Luis Percovich.

Workers Reject Increase

PY181440 Lima Cadena Panamericana Television in Spanish 0200 GMT 17 Mar 85

[Text] On the night of 16 March, the CITE rejected the salary increase offered by the government and announced that its indefinite strike will continue, cost what it may. The CITE made this decision despite the salary increase decreed by the government on 15 March and despite the fact that, overall, the increase is in excess of 1 billion soles for the remainder of 1985, as Economy Minister Guillermo Garrido Lecca has emphasized. Neither the salary increase, nor the call made by Prime Minister Luis Percovich Roca has had positive reponses from the CITE, which is led by Vargas Caballero, who has stated that the increases do not meet their expectations.

Disturbances in Lima

PY181610 Lima Cadena Panamericana Television in Spanish 0030 GMT 18 Mar 85

[From "Panorama" program hosted by Alejandro Guerrero]

[Text] Prompted by agitators, CITE members have taken to the streets causing disturbances. They have painted slogans on several walls and, in a reproachable action, they even painted the monument to General San Martin. The CITE has rejected the salary increases granted by the government, an increase that is in excess of 1 billion soles. Regarding the claims made by the public servants, Minister Percovich has deemed this issue resolved and has stated that, in case the public servants do not resume work on 18 March, the law will be strictly enforced.

ELECTION WORKERS GIVEN 72 HOURS TO RETURN TO WORK

PY191240 Lima Radio Del Pacifico in Spanish 1200 GMT 19 Mar 85

[Excerpt] The 72-hour countdown to the deadline given to all striking employees of the National Electoral Court for resuming their activities began yesterday. Should they not return to work, they will be punished under the labor law, since their strike has been declared illegal by the government. This was disclosed by Domingo Garcia Herrada, president of the National Electoral Court who urged the workers return to work as a requirement for resuming dialogue and dicusssing their list of demands.

POLICE ARREST 1,200 IN LIMA SHANTYTOWNS

PY182301 Madrid EFE in Spanish 0046 GMT 18 Mar 85

[Text] Lima, 17 Mar (EFE) -- It was reported here today that the Peruvian police have arrested 1,200 persons during operations carried out during the past few days in Lima's shantytowns after the murder last week in Lima of three policemen and an Army NCO. Police sources have said that five of the arrested persons are alleged terrorists, who could be involved in the death of a policewoman of the Peruvian Investigative Police (PIP) and in the death of a Civil Guard sergeant, both of which occurred on 11 March. The other Civil Guard members and the Army NCO were murdered by common criminals, according to police reports published in the media. The operations were carried out in coordination between the PIP and the Civil Guard to find common criminals and terrorists who have presumably established the so-called popular schools for subversive training in Lima's shantytowns. Alleged member of the Maoist Shining Path group have been placed at the disposal of the PIP Directorate for the Fight Against Terrorism, while the common criminals will be placed at the disposal of the Justice Ministry in order to extend the investigations, according to a report by the state press agency ANDINA.

COPEI LEADER CRITICIZES LUSINCHI'S ADDRESS

PA140327 Caracas Radio Rumbos Network in Spanish 2100 GMT 12 Mar 85

[Excerpts] After delivering his year-end address to Congress, President Jaime Lusinchi went to the Miraflores Palace where a toast was offered. The toast was attended by Democratic Action party members from across the country. No opposition members were present at Miraflores Palace. Dr Carlos Delgado Chapellin, president of the electoral council, however, attended the toast. Meanwhile, Eduardo Fernandez, secretary general of the Social Christian Party, COPEI, immediately criticized Lusinchi's address and pointed out that the president had promised to deliver a short and different speech but that it turned out to be long and routine.

[Begin recording] [Fernandez] The truth is that there are six very worrisome facts. After 1 year in power, there has not been a clear, consistent reactivation of the economy; the country has been suffering a long period of stagnation. Second, you cannot demand patience from the unemployed whose numbers have increased. Third, the cost of living has increased threefold: We cannot use patience as currency at the market, we must use bolivares. Fourth, the government has been unable to alleviate the people's concern for their safety, which arises from the serious problem of crime. Finally, two things must be taken into consideration: The country is not moving forward nor are we living better.

[Reporter] Dr Fernandez, will COPEI appoint a commission to conduct a technical analysis of the president's speech?

[Fernandez] We will instruct our legislative caucus to begin congressional debate on the president's address. We have listened to the president's address. With all due respect to the president's report, we believe that democracy demands that the voice of the various political parties particularly that of the opposition be heard in congress. [end recording]

This has been COPEI Secretary General Fernandez, who indicated that the only positive thing about the president's speech was the assertion that Venezuela's crisis can be overcome. At Miraflores Palace, President Lusinchi said that the imbalance due to unemployment has not been decreased further because his government...[corrects himself] I mean, during this year the tempo of the construction industry has also decreased. He said that last year's reactivation was merely related to the election.

BILATERAL RELATIONS EXPANDED WITH USSR

PA160308 Caracas Television Service in Spanish 0000 GMT 15 Mar 85

[Text] Diego Cordovez, the special UN envoy to mediate the border problem between Venezuela and Guyana, will not arrive on the scheduled date. This announcement was made by Foreign Minister Simon Alberto Conslavi while chatting with newsmen during the ceremony to mark the 40th anniversary of the establishment of diplomatic relations between Venezuela and the Soviet Union.

[Begin recording] [Reporter Maria Teresa Gutierrez] In order to expand the existing bilateral relations between the two countries through agreements in keeping with the current state of the Venezuelan and Soviet economies, Foreign Minister Simon Alberto Consalvi and Soviet Ambassador Vayna Vyalyas today signed a note expanding the trade agreement signed in 1976, which will allow our country to promote its nontraditional exports and exchange spare parts and machinery.

[Consalvi] Practices in effect will remain so and new avenues that are opening up as a result of this agreement will be explored.

[Gutierrez] Once more, the diplomats reasserted the principles of mutual respect in Soviet-Venezuelan relations. [end recording]

COSTA RICA, HONDURAS, EL SALVADOR ADOPT CONTROLS

PA181830 San Jose LA NACION in Spanish 10 Mar 85 p 4 A

[Text] Officials of the Costa Rican, Honduran, and Salvadoran Foreign Ministries have adopted an agreement for arms control in Central America during a meeting in Tegucigalpa that ended on Friday.

UPI reported that Costa Rican Deputy Foreign Minister Jorge Urbina said that agreement was reached on the size of armies, the number of troops, and the kinds of weapons each country should have.

The agreement is viewed as the Central American version of the Contadora Group's revised document for peace and cooperation. It stipulates that security matters will be overseen by a verification and control group, Urbina explained. The agreement, which includes modifications to the revised Contadora Document, began to take shape last October when Foreign Ministers Carlos Jose Gutierrez, Edgardo Paz Barnica, and Jorge Tenorio of Costa Rica, Honduras, and El Salvador respectively, presented their observations to the document issued by the Contadora Group in September. At that time, the ministers failed to agree on verification and control mechanisms.

Amid the controversy surrounding the case of Nicaraguan asylum seeker Jose Manuel Urbina Lara, the three foreign ministers and their advisers met in San Jose last month to review their observations. Finally the three countries' deputy foreign ministers, Jorge Urbina, Jorge Maza, and Jose Arita Valle of Costa Rica, El Salvador, and Honduras respectively, met on Thursday and Friday of last week to agree on the verification and control mechanisms.

It was reported yesterday that the officials had reached consensus and that now it is expected that a meeting of area plenipotentiary ministers and the Contadora Group will take place to give the document final approval.

Nicaragua's stance on that meeting is unknown, although it has repeatedly maintained that it will not accept further modifications to the Contadora Document.

Regarding Guatemala, which also presented observations to the Contadora peace document in October, has not participated in discussions on modifications.

EL SALVADOR

ARMY OPERATION IN NORTHERN REGION 'SUCCESSFUL'

PA162358 San Salvador LA PRENSA GRAFICA in Spanish 16 Mar 85 pp 4, 25

[Text] According to military spokesmen, troops of the 4th Infantry Brigade have successfully carried out a counterinsurgency operation in Chalatenango Department. The operation began last Monday, and according to preliminary reports, 13 FMLN-FDR subversives were killed during clashes with Army troops.

Troops of the 4th Infantry Brigade, with soldiers from the city of Chalatenango and supported by Air Force planes and helicopters, dismantled four camps, confiscated weapons and ammunition, and carried out surveys to determine the people's problems and needs.

The counterinsurgency operations will continue during the next few days throughout the northern region, which includes the Departments of Chalatenango and Cabanas, where thousands of families have been seriously affected economically by the violence unleashed by FMLN-FDR subversive groups.

Armed Forces spokesmen said that they found very little resistance in Chalatenango, as the extremist groups fled when the troops arrive. The Armed Forces' plans are aimed at bringing peace to the areas affected by violence and learning about the people's problems in the fields of nutrition, health, communications, education, security, roads, and so forth.

According to Army spokesmen, restoration of the areas affected by the wave of violence will be accomplished in the very near future with cooperation from the local people, who have asked for help to normalize their agricultural, commercial, social, educational, and popular activities in general.

FMLN ON ATTACKS, SABOTAGE ON PARACENTRAL FRONT

PA151634 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 14 Mar 85

[Text] Here is a guerrilla report from the Anastasio Aquino Paracentral Front: At 0100 on 12 March, FMLN guerrilla forces launched a strong harassment action against troops of the 5th Infantry Brigade deployed at the place known as (La Frutalilla) in Apastepeque on the Pan-American Highway in the paracentral San Vicente Department As they attacked the antiguerrilla troops of the (Tehuapan) Battalion, the FMLN forces simultaneously sabotaged the war economy of the Duarte dictatorship. The sabotage consisted of blowing up a high-tension tower. In addition, propaganda material was distributed along the Pan-American Highway at the scene of the confrontation and sabotage. Our forces withdrew in stages and had no problems. The leaflets that were distributed stated that the elections will not be the solution to our people's economic problems.

Another report from the same front indicates that at (?0320) on 11 March FMLN forces entered the town of San Juan Nonualco, Zacatecoluca jurisdiction, La Paz Department. They harassed the civilian authorities' office in the town and posted and distributed propaganda material on the electoral farce. This action was carried out in the town square and the propaganda leaflets stated that the elections will not be the solution to our people's economic problems.

Finally, the report from the Anastasio Aquino Paracentral Front indicates that at 1200 on 8 March FMLN guerrilla forces carried out a harassment operation against a [word indistinct] checkpoint at the El Gavilan turnoff on the Coastal Highway in San Vicente Department. Military propaganda leaflets were distributed. Through these combat actions, the FMLN forces are strongly repudiating the new electoral circus which will be carried out by the political parties on 31 March [words indistinct] in order to continue deceiving and exploiting our humble working people.

FMLN PROTESTS 'ACTS OF GENOCIDE' BY AIR FORCE

PA170036 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 15 Mar 85

[Text] Attention, pay close attention, Salvadoran people. Radio Farabundo Marti has received information on the furious air and artillery attack staged by Ochoa in Chalatenango Department.

On 13 March, in the afternoon, an O-2 Push-and-Pull [preceding three words in English] light plane dropped some 30 rockets on the towns of (Los Mejia) and (San Juan de Aguilares) in San Fernando jurisdiction, where peasant families live and work.

A few moments later, another O-2 Push-and-Pull light plane dropped rockets on the cantons in Ojo de Agua in San Francisco Morazan jurisdiction.

At 1730, from El Paraiso Garrison, Ochoa ordered the shelling of the hamlets of Plan del Horno and Coyolar in San Francisco Morazan jurisdiction. Several of these rockets even fell on Honduran territory.

At the same hour on 13 March, the same plane dropped rockets in the northern sector. Some 12 rockets fell on a group of road workers who were on the way to [passage indistinct].

These are the consequences being suffered by the people as a result of the high command's policy of burning and destroying everything in sight.

Radio Farabundo Marti also received a report that on 14 March, A-37 airplanes and O-2 Push-and-Pull light planes dropped waves of bombs and rockets on peasant crops and settlements located southeast of the City of San Vicente. The high command and Duarte are using U.S.-made weapons and bombs to destory the peasants' homes and crops. Duarte's high command is applying the scorched earth strategy, so no homes, trees, people or animals remain in the areas where they consider it advisable for national security.

Duarte, Blandon, Ochoa, and the entire clique of genocidal members of the puppet regime raise a hue and cry when reports are released on the systematic violation of human rights that they are committing against our working people. Could the German Deputy (Davy Cobham), who was an eyewitness to a bombing be lying? Could the UN Human Rights Commission by lying with its report that there is continuing violation of the Salvadorans' human rights? Could the bombing carried out by the Air Force or the wide-scale arrests and massacre of the civilian population in areas of conflict be mere propaganda? [passage indistinct]

We have kept count of all the air operations against the civilian population staged by the Duarte regime. From 1 February to date, the Air Force has carried out 27 operations with airplanes and helicopters, dropping over 39,000 pounds of explosives on peasant homes and crops -- over 39,000 pounds of explosives, which doesn't include the hundreds of artillery shells that have been used against our working people, who have seen their crops and homes razed by the U.S.-made bombs. Over 102 250- and 500-pound bombs and over 313 rockets have been fired at 64 peasant communities in just 1 and 1/2 months. The Air Force, in view of the failure of the government troops, has unleased a campaign of saturation bombing to raze the earth and terrorize the defenseless civilian population.

These figures do not constitute disinformation. The criminal General Blandon will have to swallow the miserable words with which he has attempted to cover the acts of genocide that are being committed by his troops and his Air Force. The FMLN, along with all our people, are vigorously demanding an immediate end to the bombing of areas that are densely populated by civilians. The FMLN and our people are demanding that the Duarte regime take specific steps to humanize the war so our people will not be harmed by the warmongering policy designed by the Yankee advisers. No more bombs dropped on our people! No more planes to raze peasant homes and crops!

EL DIA INTERVIEWS FDR'S GUILLERMO UNGO

PY150206 Montevideo EL DIA in Spanish 3 Mar 85 p 13

[Interview with Guillermo Ungo, president of the Salvadoran Revolutionary Democratic Front [FDR] and secretary general of the National Revolutionary Movement, by EL DIA correspondent Magdalena Gerona, at the Hotel Colombia in Montevideo during a visit to Uruguay to attend the inauguration of President Sanguinetti on 2 March]

[Text] Gerona: How long has this state of things, this state of war, been going on in your country?

Ungo: This has been both a complex development and a process. All channels of peaceful and democratic participation have been gradually closed in El Salvador since the decade of the 1970's. Some of us stubbornly continued to participate in elections despite being well aware that these were just designed to deceive the people, that is, elections meant fraud, imposition, repression, imprisonment, and exile. The last peaceful attempt took place in October 1979 when some young officers carried out a coup that overthrew General Romero's dictatorship. Several organizations participated in this effort upon making a political pact with the Army, a pact with two basic objectives: to promote democratization and to achieve anti-oligarchic changes. I served as a member of that junta, which consisted of three civilians and two officers. I represented the Popular Forum, which was a broad-based front made up of several political organizations: The Christian Democrats, the communists, ourselves, and the Social Democrats, as well. It was also made up of mass organizations, popular organizations, unions, and university groups. A major part of the left, although not all leftist sectors, took part in this front.

Soon it became evident that the original intention was being distorted and thus we withdrew from the government and the pact was canceled. This gave way to a process of alliances which started with the formation of the Democratic Front, then the Revolutionary Front of the Masses, then the Political-Military Front, and finally the FDR, and the Farabundo Marti National Liberation Front [FMLN]. Here we should make one thing clear: The FDR is not the political branch of the FMLN, nor is the FMLN the military branch of the FDR. These are two independent fronts. The FMLN endorses both armed and political means and promotes a war waged by the people. The FDR accepts the armed struggle, but is not directly involved in it. The FDR is a nonmilitary front which uses every political means and which formed an alliance with the FMLN. This alliance basically seeks dialogue, concerted action, and unity through our political and diplomatic efforts.

Gerona: Is a dialogue between the Salvadoran Government and the revolutionary fronts possible at this time?

Ungo: We have contradicting signals, both positive and negative. Let us look at the positive ones: We had been proposing and demanding dialogue with the government for 4 years and the government had been rejecting this idea until October 1984, when the La Palma meeting took place. That is, the dialogue was born. The baby is alive. But after two meetings, which are not sufficient to solve such a complex conflict, the dialogue was frozen by Duarte, not by us.

We are now at an impasse and this is negative. The dialogue is now in the incubator and Duarte does not dare take it out. Why? Because he is in no position to give continuity to the dialogue for the following reasons:

Duarte has given some sectors the impression that he is promoting change -- as though one person alone could change a structural problem and could modify the actual power structure. The situation, which is extremely antidemocratic and repressive, is marked by state terrorism implemented on a massive scale. It would suffice to say that 1 percent of the population has been murdered. Our population totals only 5 million people and there are more than 50,000 dead! Fifteen percent of the population is either outside the country or has moved to remote areas inside the country and Duarte can not possibly change this. The real problems have again surfaced in their true proportion: in the first place, the Reagan administration; secondly, the Army high command; and thirdly, the oligarchy. Our fronts also emerge as another real power factor.

Duarte, who had to accept dialogue out of necessity and in his own interest, managed to make the Reagan administration, the Army high command, and certain right-wing sectors endorse this dialogue. Yet, soon he realized that this dialogue was also beneficial to us, and not only to him, and he did not like this. The rightists also realized that dialogue was giving electoral benefits to Duarte and thus for the second meeting Duarte was already confronted with a different sitution. The high command, which has no real interesst in the dialogue, has viewed it as a tactical move devoid of real significance designed only to calm both the international and domestic public. The right-wing is also only ostensibly interested in dialogue. The Reagan administration has also realized that dialogue is affecting its military solution strategy.

Gerona: At this point we should ask you a question, Mr Ungo. To what extent is Nicaragua a hot issue for the United States, or is the United States just using Nicaragua as a smoke screen to deal with the Salvadoran problem?

Ungo: Initially we thought that the main target was El Salvador. The Reagan administration, which replaced the Carter administration, was inaugurated when Nicaragua was already lost. Reagan could not then indulge in the luxury of losing El Salvador, I mean "losing" it from the U.S. standpoint, that is, as U.S. private property, as its backyard. Yet, after seeing performances and listening to speeches recently, I have realized that Reagan is truly obsessed about Nicaragua, that he does not want to accept reality, and that he wants to overthrow this reality: the Sandinist government. I believe both countries are targets. The United States is seeking to maintain its hegemony in Central America and the Caribbean. I have said time and again that it is in Central America and the Caribbean where Latin American structural dependence and the U.S. efforts to maintain its hegemony become most evident. They feel we are within their borders, that we are their backyard, where they have strategic military and political interests. Proof of this are the Panama Canal, the Guantanamo base, Puerto Rico, and Florida. This is why the United States has directly intervened in this area, and not in other Latin American regions like South America. Therefore, we are considered as protectorates, our relations are comparable to those existing among "a protector state and its protected states," which cannot overstep the guidelines established by the protector state. In line with this concept, the situation of both Nicaragua and El Salvador is equally serious. They are both effected by the U.S. regional policy of treating countries of the area as protectorates.

I believe that the Salvadoran case is essential and that the Nicaraguan case is very important. Yet, if a solution is found to the Salvadoran case, a number of arguments maliciously used by the Reagan administration will become meaningless. First, the type of solution we are proposing is truly pluralistic in keeping with the Salvadoran reality. No organization can have hegemony since none is sufficiently strong for this. Not even all of our forces together could have hegemony. We must seek a broad participation, including the Christian Democratic Party, and even some moderate right-wing sectors.

This would destroy every myth and ghost created by the Reagan administration, in addition to its claims about Soviet, Cuban, and Nicaraguan aid. All these allegations would thus be destroyed. Once our conflict is solved, the U.S. policy of military, economic, and diplomatic aggression against Nicaragua would be pointless. Therefore, a solution of the Salvadoran conflict will be important since it would have a positive influence on the region. The same would happen if the Sandinist revolution is consolidated and its project implemented.

The Reagan administration's strategy is following its course. Since it has found it impossible to overthrow the Sandinist government and to defeat our fronts in the short term, the option left is invasion, but this would have a high political cost.

Gerona: What do the Salvadoran people want?

Ungo: People can have different views of a war, depending on how it affects them. The truth is that there is a widespread war that affects families and social and economic life. Therefore, there is a desire for peace which is either naive or reasonable. The naive notion of "peace at all costs," as though this were easy to achieve, is gradually losing ground. The people have already understood that under these conditions there can be no true elections, and such election could not become a legitimate source of power. Nor can elections be effective where fear, terror, and repression prevail, and where only right-wing sectors can participate to form an exclusive, discriminatory government. The people have understood that this is not the way, that the way is dialogue and negotiations. This makes me feel optimistic about the medium term because the government and we are no longer the only ones who are talking about dialogue, but the people are gradually beginning to participate, to speak louder, thus overcoming their fear, since even today dialogue is a fatal word, rejected by the death squads. By overcoming all this, the people are beginning to have greater participation.

Gerona: And what does the Army want?

Ungo: There are several factions that range from the current ultraright, which is brutal and repressive, to more progressive sectors that feel the role of the Army has been distorted and is not playing its true role. Yet this faction is very weak due to the repressive situation, tight control, and strict discipline prevailing in the Army. Let us not forget, however, that it was a group of young officers who in 1979 proposed an understanding between the people and the Army, that is, the pact we mentioned earlier. Yet the prevalent faction is that of the generals and colonels who advocate war, from which they draw economic and political benefits. This situation will also change as soon as other changes take place in El Salvador.

Gerona: How do you view the short-term and medium-term situation?

Ungo: In the short term we will have elections of deputies and mayors on 31 March. These will continue to be elections by and for the right wing. They will bring no changes within the power structure. Neither the D'Aubuisson coalition or the Christian Democratic Party [PDC] has a chance of winning majority status. Therefore, there will be alliances between ultraright and moderate rightist sectors, and between the PDC and moderate rightist sectors, since there are no other political sectors. And after this, there will be no more elections for the next 3 years. The options will be then: to continue this war or to hold dialogue and negotiations to end this war.

I can foresee no changes in the political and military situation in the near future. In the medium-term I believe we will have to face the serious dilemma of invasion or negotiations.

If the United States finds that its military strategy of a low intensity war waged through a foreign hand -- which is taking a maximum of resources, requiring its increasing intervention, and yielding increasingly poor results -- is failing, it wll have to change its military strategy and start using its own hand, its own troops, to do what the Salvadoran troops cannot do. This will have a high cost. Or, instead, the United States can accept something that will also have a high cost: to accept that we Salvadorans have the right ot negotiate among ourselves a political solution that would not entail submission to the United States.

Gerona: Could you clarify something to the Uruguayan readers: Are all those movements making up the leftist spectrum you mentioned Marxist-Leninist forces?

Ungo: Not all of them. The FMLN leadership is Marxist, but there are exceptions. The union movements have no ideological affiliations. The FDR is made up of Social Christians, and Democratic Socialists, but no Marxists. Furthermore we cannot fail to recognize that the PDC has a social basis and that its participation is essential to achieve a national consensus. This would also apply to some moderate right-wing sectors, which would not be out of place in a stage of democratization.

The Salvadoran situation requires a vast pluralism, notwithstanding the advantages and disadvantages this might entail, to scare "the ghost." This is the only way of saving a virtually destroyed country. The death toll of our 5-year-war has risen to 50,000. Salvadorans have gone into exile in massive numbers and have thus left their strife-torn country. A national effort will be required to solve these problems. We will also continue to have the same neighbor, the "big neighbor," and there is nothing we can do about this. We must seek some terms of understanding in our relations.

Gerona: Do you believe the democratization of other Latin American countries could be an important factor in promoting this change?

Ungo: I think so. I think we are characterized by making some progress, but not enough progress. Although no individual contribution can give us all the solutions, each contribution will be necessary. In this respect, the case of the southern cone will be very important for us, especially the case of Uruguay, because it entails greater Latin American presence, greater Latin American cohesion within a dignifying, democratic, independent atmosphere. At a certain point all these contributions could have a multiplying effect and could make the United States understand it must seek other terms of mutual cooperation in its relations with Latin America.

What we are celebrating in Montevideo now is significant for two reasons: First, we are sharing the happiness and hopes of the Uruguayan people at this time when they are returning to the democratic path, and we are extending them our solidarity in this critical situation, which is full of obstacles and challenges. Secondly, we are seeking support and trust that Uruguay will extend its support and contribution beyond its borders.

UNGO DISCUSSES CENTRAL AMERICAN SITUATION

PY161616 Montevideo LA HORA in Spanish 3 Mar 85 pp 4-6

[Interview with Guillermo Manuel Ungo, secretary general of the Salvadoran National Revolutionary Movement and president of the Revolutionary Democratic Front, [FDR], and of the Political Military Commission of the Revolutionary Democratic Front and the Farabundo Marti National Liberation Front [FMLN], by Rafael Cribari in Montevideo at the inauguration of President Julio Maria Sanguinetti -- date not given]

[Text] [Cribari] What is the significance for Latin America of the political events now taking place in Uruguay?

[Ungo] In the first place, I want to emphasize the dual significance of this political event, which has not only provided an occasion to share with the Uruguayan people and the Uruguayan democratic and progressive political forces this victory that marks the beginning of a democratic life style but also provides an occasion to express the expectations focusing on Uruguay. Many of those who were invited have not come just to be present, but thinking that, despite its small size, Uruguay has a role in the rebirth of the Latin American spirit that is being reasserted in the region.

[Cribari] What is your opinion of the changes taking place in the southern cone? And how can these changes pave the way for democracy in this area, as well as aid the struggle of the Central American countries and El Salvador in particular?

[Ungo] All of these changes are generating a greater Latin American awareness, spirit, and attitude that the problems and conflicts in Latin America must be assumed by its own people, with a more direct and specific cooperation and contribution among them. I am referring to the search for Latin American independence, for its nonalignment. This cooperation and contribution is important now, because I believe that the economic problems cannot be separated from the political conflicts.

It is important that countries that are only geographically distant should adopt a position expressing their concern over the Central American conflict and their opposition to a military solution. And this is a strong message, especially for the United States and its political parties. Brazil, Argentina, and Uruguay are constantly expressing their concern. This is a call to attention and alert that has some importance. The situation is so grave and serious now that all this is not enough. It is a necessary factor, but it is not enough. All factors must be combined to bring about a change in U.S. policy.

[Cribari] From the FDR's standpoint, how can its support for dialogue and negotiation be explained while the FMLN is continuing to wage its liberation war. Isn't this contradictory?

[Ungo] In El Salvador, the conflict's main characteristic is that it is generalized war. It is a generalized war that keeps deepening on both sides. On the side of the revolutionary forces, it is deepening because military zones are being consolidated and the theater of military operations is widening. On the other side, it is so because of U.S. interference and military assistance, providing more helicopter gunships, more planes, and more artillery weapons all the time.

This is deepening the war. It would be unrealistic to think that the war could be ended in a short time, with a few meetings. The only way to end the war is either by attaining a military victory or through political negotiations. Military victory is not possible over the short term. It is impossible for the popular forces because as they made more advances the U.S. interference increases, and thus the war is prolonged and its end delayed. In the final analysis, the possibility of a military victory may run the risk of another type of war with direct intervention of U.S. troops.

Their fundamental objective is to strategically debilitate the FMLN and the FDR. They are following a strategy of attrition, because they know that they cannot attain a victory in the short term, so they are trying to wear us down militarily and politically. What is happening now is that their strategy of attrition is working the other way around. The government's forces are increasingly wearing down, thus increasing U.S. interference.

In this way the option for a solution in the medium or long-term is being reduced to that of an invasion with all its attendant consequences. However, they are still holding back this option or that of supporting a negotiated solution, which is not to their liking. We have enough forces to forestall the total imposition of the will of the Reagan administration. Our only option is war along with negotiation. The Reagan administration does not accept this dual approach of war with dialogue. It only wants war and rejects dialogue. And let's suppose that it will support dialogue, what will its strategy be? Dialogue as the service of war, that is, as a tactical coverup maneuver to appease domestic and international public opinion, so that it can continue its strategy of attrition and increasing intervention.

Our approach is the opposite: War, because the war cannot be ended in one day, and negotiation so the military operations can force a political solution. For us, war serves the negotiation. For the Reagan administration, dialogue serves the war.

[Cribari] Between the notorious intervention of the Reagan administration in Salvadoran internal affairs and the will of the FMLN and the FDR to liberate El Salvador, there is a third position, that of a government elected by the people in manipulated elections that, however, have some legitimacy based on the fact that the elections were held. How do you assess these three positions vis-a-vis the legitimacy of the Salvadoran Government?

[Ungo] This question about legitimacy is very relative. In Latin America we have had elections as a system to legitimize military dictatorships, oligarchies...

[Cribari] As in the case of Paraguay?

[Ungo] Yes, and the case of Guatemala. Over the past several decades we have had elections every 2 years, and presidential elections every 4 or 5 years. So, even in circumstances different from the present ones, elections in El Salvador have been a precarious element of legitimacy. I believe that the civil war in El Salvador is the expression of a lack of consensus.

However, the current Duarte government, of the Christian Democratic Party [PDC], now has various possibilities as to the course to be followed. These various possibilities will be resolved through his political conduct in the different areas. More than through the elections, Duarte's legitimacy rests on the fact that he was president of the government junta and that he has some credibility as a democrat, a Christian, a man of dialogue, and a man of peace. The facts, however, have demonstrated that he has not been very consistent in his conduct, either at present or in the past.

Although he is a Christian, he strongly cooperated in the dispatch of thousands of Christians to the Kingdom of Heaven. He does not like to see Christians alive on earth, but in the other world. In this sense, Duarte has a role that he will have to define: whether he is the best man for dialogue and negotiation, or the best man for intervention. He is the political figure the Reagan administration is using to assuage the U.S. Congress so it can loosen the strings on military assistance, thus prolonging the war with all its human, social, and economic costs. But Duarte can also play the other role, that of opposing massive direct intervention and opting for dialogue and negotiation to find a solution that will make it possible to attain a national consensus from which only the extreme right would be left out. This is a dilemma. By rejecting dialogue, Duarte had been losing legitimacy and credibility, both at home and abroad.

With that deteriorated legitimacy and credibility, he finally agreed to hold a dialogue and proposed to us that we meet on 15 October 1984. Now he has again frozen the dialogue, revealing that the tall man we thought he was, is losing stature. It can thus be seen that El Salvador is a wrestling mat for our fronts, the oligarchy, the Army, and the Reagan administration. How these contenders will act remains to be seen. Duarte froze the dialogue and this seems to me a negative attitude. A positive attitude is to keep the dialogue going. After 4 years of quiescence, the dialogue came to life. The child was born, and Duarte cannot, nor does he dare, kill it. We hope Duarte will again offer to continue the dialogue after the elections. I am not optimistic that the electoral results will significantly change the balance of power in the Assembly. Neither the Christian Democrats nor the ultraright will change substantially. The United States will continue influencing the situation. But I believe that our military advances and the regime's economic, political, and social deterioration will make resumption of the dialogue possible. The Christian Democrats' scheme is confrontation and negotiation with the ultraright, but confrontation alone with us. We hope the situation will change and the Christian Democrats will use confrontation alone with the ultraright, and confrontation with negotiation with us.

[Cribari] Can you give us a brief account of the FMLN and FDR program for the future Salvadoran democratic government?

[Ungo] We believe that the basic aspect of our alliance is a revolutionary democratic program that can be summed up by saying it is anti-oligarchic, anti-imperialist, and nonaligned, and that it favors national independence and a mixed economy. However, the program does not contemplate a final project, a utopia that none of the political forces making up the alliance would want to push for, except a project for building the country and an independent life. This will always be valid, although its implementation will require a process. But to solve the country's fundamental problem of ending the war and achieving peace, we believe that a provisional government of broad participation will be necessary. We are not giving advance thought to any final formula that we believe should result from negotiations. The program does not exclude anyone other than the ultraright. We believe that a civil war that reflects the lack of a national consensus can only be ended through a dialogue with the various political forces in the government, excluding the ultraright. This should be aimed at modifying the power structure, which is a repressive structure that massively practices the state terrorism. One of the components of that solution will be the truly free and democratic general elections in which our revolutionary democratic program will compete with other programs.

[Cribari] After the 31 March elections...

[Ungo] After the elections, we will have 3 years without any electoral contest.

I believe it will become even more evident that the real issue is whether the war continues or whether it ends through negotiations. In this regard, I believe further steps should be taken to overcome fear and terror. Therefore, the outcome of the dialogue will not depend exclusively on the government or on us. The socioeconomic and politically organized sectors and the people's sectors will also have a say. Thus, we feel rather optimistic, although there is still some time to go, a period of time that cannot be measured in calendar terms. In the meantime, guerrilla activities will unfortunately expand because of the Reagan administration's ominous attitude. There is every reason to believe that our people will still have to suffer for a while under the danger of regionalization of the war. In this regard, it is important that the Contadora Group initiative, not as such but as a Latin American aspiration, be conveyed in multiple, convergent, supplementary, and effective ways, so the Reagan administration will understand that a military solution is unacceptable, that a military solution will have serious political consequences that will affect even the United States; and that such a solution will be the worst manner of achieving peace, stability, and security not only for Latin and Central America but even for the United States. In this regard, we welcome all international contributions seeking to promote dialogue and negotiation between belligerent parties in El Salvador.

GUATEMALA

GOVERNMENT EXTENDS AMNESTY FOR GUERRILLAS

PA152246 Panama City ACAN in Spanish 0133 GMT 12 Mar 85

[Text] Guatemala City, 12 Mar (ACAN-EFE) -- This afternoon the military government of Guatemala announced an extension of the amnesty for guerrillas, which went into effect on 1 September 1983. The amnesty will be extended until 13 January 1986.

Manuel Giron, secretary general for the head of state, explained that the military head of state, General Oscar Mejia Victores, today signed the corresponding decree so the rebels may return to legal life "without problems." The date proposed for the amnesty's conclusion, 13 January 1986, will be 1 day before the current regime turns over power on 14 January, to the president who will be elected in the 27 October elections, in the first round or on 24 November, if a second electoral round is necessary. Even though the amnesty for members of armed groups went into effect 1 year ago, the government has never specifically said how many persons have sought the amnesty. The government only indicated that "it is extended because of the favorable results obtained so far." The amnesty was initially scheduled to last for 30 days, and it has been continually extended for periods of up to 6 months. This is the first time that it has been extended for almost 1 year.

HONDURAS

FDN MEMBERS ACCEPT AMNESTY, LEAVE FOR NICARAGUA

PA190102 Panama City ACAN in Spanish 0012 GMT 18 Mar 85

[By Armando Cerrato]

[Text] Tegucigalpa, 18 Mar (ACAN-EFE) -- Five anti-Sandinists who abandoned the armed struggle and asked for asylum at the Mexican Embassy in this capital today left for Managua under protection of the amnesty law.

The five Nicaraguans acknowledged having served with the "Jose Dolores Estrada" Regional Command of the Nicaraguan Democratic Force (FDN). Five relatives, including three minors, who also sought refuge at the Mexican Embassy, left with them. This is the first known case of desertion from the FDN, at least in Tegucigalpa, but the FDN has denied knowing the 10 Nicaraguans.

The Nicaraguans were able to leave for Managua after the Honduran Foreign Ministry decided that they could do so without a safe-conduct permit because they are not Honduran citizens and are not wanted by the local authorities.

Apparently, the Mexican Embassy did not grant them the status of asylum seekers, with which they would have gone to Mexico and not to Nicaragua, but it did grant them haven and protection.

Raul Lopez Lira, the charge d'affaires who has been in charge of the diplomatic representation for 1 year, declined to give information to the press at all times.

The case became known through letters which the Nicaraguans sent to the media explaining that they were justified in taking this step but would not reveal their reasons for the time being, as they were afraid their human rights would be violated.

One of the five guerrillas is Moises Mondragon Martinez, who claims he had the rank of commander. An FDN spokesman said in Tegucigalpa, however, that no one in the FDN knows him.

The others with him are insurgents Norma Corrales, Jose Orlando Torres Castillo, Mario Mondragon Casco, and Adalberto Marcial Espinoza Mondragon. The guerrillas took the following relatives with them: Luvinda Corrales and Margarita Mondragon and minors Maria Rebeca Corrales, Alondra Torres, and Samuel Blanco.

The Honduran Foreign Ministry handled the matter very discreetly and its prudence grew when the story came out in the national and international press because, as an official spokesman told ACAN-EFE, "it was a delicate matter."

14 U.S. CITIZENS EXPELLED FOR ALLEGED CONTRA AID

PA182320 San Pedro Sula TIEMPO in Spanish 18 Mar 85 p 8

[Text] Tegucigalpa -- According to diplomatic sources U.S. citizens who were in Honduras working with anti-Sandinist groups were expelled from the country during the weekend. It has been learned that the U.S. citizens were in Brus Laguna, La Mosquitia area, reportedly working with Nicaraguan Miskitos, Sumus, and Ramas Sandinist Unity guerrilla groups.

The 14 persons are reportedly part of a group called the Civilian-Military Assistance Group, which operates out of the State of Alabama and is comprised of U.S. volunteers who collaborate with the anti-Sandinists.

U.S. Vice President George Bush was asked about this when he was in La Paz, last Saturday, but he said that he had no information about this so he could not issue a statement. Other versions of the story reveal that the U.S. citizens were expelled from the country upon request from the U.S. Embassy in Tegucigalpa, but this information could not be confirmed.

PRESIDENTIAL SECRETARY COMMENTS ON BUSH VISIT

PA181818 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 18 Mar 85

[Report on interview with Presidential Office Secretary Ubodoro Arriaga Iraheta; date and place not given; questioner unidentified -- passages within quotation marks recorded]

[Text] [Question] Presidential Office Secretary Ubodoro Arriaga Iraheta, who participated in the talks between Honduran President Roberto Suazo Cordova and U.S. Vice President George Bush, has been asked: What were the objectives and results of the visit and how will it benefit the two countries?

[Arriaga Iraheta] "The visit of Vice President George Bush is very important for Honduras because it is a preview of the visit the Honduran president will make to the United States possibly in May and it will also serve as a precedent for the technical-economic visit that a Honduran high-level commission will make to Washington at the end of April to continue the talks on military and economic support for Honduras. At this time we are making known Honduras' serious economic and military situation so at the same time that we obtain substantial military aid adequate for the country's situation, we will obtain appropriate economic aid to enable us to maintain our military equipment and achieve military growth due to the strife-torn Central American situation."

[Question] Can the saying, give and you shall receive, be applied to the situation between the two countries?

[Arriaga Iraheta] "Yes. As you said it is a mutual cooperation. We play a very important and unique role in the history of this region. Therefore, we are aware of the great role we currently play in Central America. We also want the United States to be aware of the importance of Honduras within the Central American context so it will know what situations must be kept in mind regarding the military and economic aid."

[Question] What aid will the United States give to Honduras to maintain the democratic system in our country?

[Arriaga Iraheta] "This country began a democratic process 3 years ago and this process must continue. This process must continue in Honduras so other countries like Guatemala and El Salvador can enter into a process of democratic consolidation. Costa Rica has a process that has already been consolidated. In this way, we can present in Central America a model of economic development and democratic development that will be continuous. It should not be the sole democratic action as has occurred in the past when there were elections in 1958 and a few years later when the government was overthrown. There was another attempt to democratize the country in 1971 and that government was overthrown. We do not want this to be repeated. Instead, we want continuity and for elections to continue in the country so there will be other democratic processes. Democracy is not just elections. A democratic system is not just made up of elections. Instead, elections are the beginning of a democratization system and therefore, they must continue so that after several terms, a stable and continuous democratic system will be established in the region, especially in Honduras."

[Question] Explain what you mean when you say that Honduras has given much and has not received anything. What is this situation?

[Arriaga Iraheta] "It is hard to appraise this. What we have given is our friendship, alliance, and cooperation with the democratization in the region. It is hard to set a value on this attitude by the Honduran Government. On the other hand, we alone cannot provide what we need to defend the common interests of Honduras and the United States. Instead, we need the support of a powerful nation like the democratic United States."

PAPER URGES CAREFUL USE OF NEW U.S. CREDIT

PA150414 San Pedro Sula LA PRENSA in Spanish 12 Mar 85 p 7

[Editorial: "A Breathing Spell After Negotiations"]

[Text] Last Friday after negotiations that often appeared doomed to failure, Honduras and the United States signed the documents for a credit agreement, which will provide a breathing spell for our economy. This agreement was reached despite the tug-of-war during the prolonged negotiations, which displayed the reluctance of the members of the U.S. delegation to please Honduras.

In fact, throughout the negotiations, there was little hope for an agreement because it was clearly evident that positions differed considerably, particularly over the demand for the creation of the parallel market or the devaluation of the currency, something nobody wants even to consider in our country, but which apparently meant an advisable solution to representatives of the Agency for International Development.

Of course, this does not mean the lempira is as solid as a rock. This is only a temporary breathing spell. And it must be considered as such, as we must always handle economic matters most carefully, taking into account that what seems solid today may be just the opposite tomorrow. Perhaps the public was never before as expectant about the outcome, which showed very little chance of being favorable to us. The circumstances suddenly turned dramatic, because if the economic situation worsened, it would be necessary to consider the dangerous possibility of a devaluation, matter in which we had no experience at all, and which represented a very serious risk to the nation and its frail economy.

The Americans have a definite criterion for economic issues. Thus, as moneylenders they do not risk their money on a country whose monetary situation is not in order. Down deep, even if it hurts, we must admit that one of the things that has driven us into our present condition is the fact that we have tried to live as if nothing serious happening. We are not accustomed to handling our finances carefully, as we believe that we are still in the golden times of 10 years ago, when the coffee boom permitted us to experience an extremely healthy solvency.

The money obtained through this agreement will serve to support some state projects and the national production. What these projects will be is something we still ignore specifically, although it is to be expected that these will deal with issues that merit the highest priority in the people's interest. We believe it is imperative to promote national production because we cannot expect to rely on international credits forever. We have said over and over that the only way out of the present difficult situation is to produce.

The statement of U.S. negotiator Harry (Koot) is most interesting when, referring to the Honduran problems, he said it is necessary to identify the causes for the obstacles presented and the ways we can use those funds to eliminate the obstacles.

We have repeatedly pointed out that we produce, but often without international competitive quality, or at costs too high to permit us to compete in the market. Another of the negative aspects that affect our backwardness is the lack of proper productivity. If we should find the formula to eliminate such obstacles, we would certainly have taken a huge step down the road of development. It is necessary for us to reach the reasonable and logical conclusion, that we must face the situation with realism, not fantasy. We complain about exessive fuel use, but we do nothing to consume it properly. We are surprised about the number of superfluous things that come into the country and money that is spent unnecessarily, but no limitations are enforced against such squandering.

Only when realism is substituted for dreams will we see the future of our country optimistically. There is a wise saying that states that the people must not be fed, but taught to produce something. That is precisely what we lack in production matters, because loaned money will serve no purpose if not properly used. Of course, it is encouraging to obtain those funds, which will bring some relief. After all, it is the least that could be expected from a nation like the United States, to whom we have offered our ample friendship and whose aid we have never tried to minimize.

Let us see if we can take advantage of this experience to get a good start on our economic development, which we have desired for so long. The menace of devaluation has disappeared for the time being, but we must not lose sight of the fact that our faults are still there and could at anytime become evident, to our misfortune.

POLICE RELEASE SWEDISH, SPANISH JOURNALISTS

Turned Over to Ambassadors

PA172133 Panama City ACAN in Spanish 2033 GMT 17 Mar 85

[Text] Tegucigalpa, 17 Mar (ACAN-EFE) -- The Honduran police today released one Spanish and two Swedish journalists held under arrest here since last Monday.

The Swedish journalists Peter and Helena Torbiornsson (father and daughter), and Spanish photographer Alfonso Aparicio, were turned over to Swedish Ambassador Krister Goransen, and Spanish Ambassador Fernando Gonzalez Camino. Neither one of the diplomats was officially notified of the release, but since the police had promised to do it this Sunday, they showed up at the offices of the director general of the Department of National Investigation (DIN), a sort of secret police. At the time of the release of the prisoners, the police asked the diplomats to sign an "affidavit" stating that the journalists had not been physically mistreated.

The Torbiornssons and Aparicio will leave Honduras at 1700 (2300 GMT) for Miami, in the United States. The journalists were detained for investigation since they had been linked to a terrorist attempt here last Saturday, when a bomb exploded in a discoteque in this capital.

Swede Describes Arrest

PA172248 Panama City ACAN in Spanish 2134 GMT 17 Mar 85

[Text] Tegucigalpa, 17 Mar (ACAN-EFE) -- Swedish journalist Peter Torbiornsson, arrested here last Monday and released today by the Honduran authorities, was also arrested in El Salvador and interned in a treasury police jail, according to a statement he made to ACAN-EFE.

"We arrived in Honduras on Thursday (7 March) and I traveled to El Salvador on Friday to do another job in that country, but (El Salvador's) immigration officials arrested me upon arrival and sent me to a treasury police cell," the journalist said. He pointed out that he had remained in the cell -- naked, handcuffed, and face down -- until Monday morning, when he was sent to Honduras on the same airplane that carried the Salvadoran soccer team, which was going to participate in a game here. He added: "I was asked a lot of questions about my personal life and journalistic activities while in El Salvador, and I was told that I was under arrest at the request of the Honduran Armed Forces General Staff, which demanded my presence in Tegucigalpa."

Torbiornsson was released today by the Honduran police, which had arrested him along with his daughter Helena and Spanish photographer Alfonso Aparicio for alleged participation in a terrorist act in this capital on 8 March.

He added: "Upon arrival at Tegucigalpa's airport I saw a lot of journalists, since the Salvadoran soccer team had arrived, and I warned them that something strange was going on. Fortunately, they heeded my words and reported my arrest." He said: "I was extremely surprised on Tuesday, when the police arrested my daughter and Aparacio, acusing them of being terrorists." He also said that he had learned about the diplomatic contacts in his favor, adding that he was not mistreated by his Honduran interrogators, but that they asked the same questions he had been asked by the Salvadorans.

He was also puzzled because Costa Rican police agents also came to question him, asking questions similar to those asked by the Salvadoran and Honduran police.

"I am in the middle of some kind of Central American police conspiracy against my person," he asserted.

Torbiornsson was linked in San Jose to the attack against Nicaraguan guerrilla leader Eden Pastora during a press conference on 10 May 1984, but the journalist was released due to lack of evidence after he was arrested by the Costa Rican police.

Peter Torbiornsson and his daughter Helena hired Spanish photographer Alfonso Aparicio 2 weeks ago in New York, for a tour through Central America, including Honduras. The Torbiornssons work for a Swedish state-owned radio company and an independent television station, while Aparicio runs a "free lance" operation with his brother in New York.

"Our mission here was to film and photograph the Nicaragua Miskito refugee camp and everything related to those displaced by the war, " Torbiornsson told ACAN-EFE.

The three journalists will leave at 1700 local time (2300 GMT) for Miami because, according to Torbiornsson, "I am afraid. I am not safe in this country and neither is my daughter, nor my cameraman. The best thing is to leave without doing the job." He complained that he withstood the cold dawns in the Department of National Investigatiohn, DNI, a sort of secret police, hallways during his arrest last Monday.

"My daughter Helena has recently graduated as a journalist. She was not even at La Volcanique Discotheque, where the police say a bomb exploded, but they tried to link her with this," Torbiornsson said.

Spanish Photographer Comments

PA180010 Panama City ACAN in Spanish 2157 GMT 17 Mar 85

[Text] Tegucigalpa, 17 Mar (ACAN-EFE) -- The Spanish photographer, Alfonso Aparicio, who was released today by the Honduran police after spending a week in prison with two Swedish journalists for whom he works, could not believe his arrest and admitted to "being very scared."

Aparicio, 25, who was born in Madrid, has lived for the past 2 years in New York, and is a Caucasian of medium height, slender build, with auburn hair and lively brown eyes. He does not talk much. He just mentioned a few episodes of his 2-year career in jounalism. He owns a small business named "Free Lancers" with his brother in New York. They also work for the Spanish television. "I met the Torbiornssons during an assignment taking photographs of refugees in Central American and editing some television material that had been obtained somewhere else," Aparicio said. He said: "We did several jobs before we came to Honduras, where several fellows who claimed to be policemen took me by surprise and before I knew what was going on, I was taken to a police station with Helena Torbiornsson. Peter Torbionsson, who we thought was in El Salvador, was already at this police station."

"We were asked a lot of questions," he said, "but we were not physically mistreated. I was relieved when Jose Antonio Zorrilla, counselor of the Spanish Embassy in Tegucigalpa, arrived at the police station 5 hours after I was arrested." "I was very scared and I am still scared because for no reason I was arrested for questioning about alleged terrorist activities and about the things I have done in my short life," he said. He said: "I was not put in a cell of the Honduran investigation Police and in general I was treated well, although to be in prison without being a criminal is difficult for anyone."

Aparicio feels that the decision of the Torbiornssons to leave Honduras immediately today for Miami "is wise." "I think," he added, "that this is not a safe place for us and although they did not tell us it was dangerous for us to stay, we sensed it and we decided it was better to leave."

Aparicio said he is very grateful to Spanish Ambassador Fernando Gonzalez Camino, to counselor Jose Antonio Zorrilla, to the Honduran press in general, which reported his arrest, and to the news agency ACAN-EFE. "I feel that our security and safety depended at all times on the efforts of the local newsmen, who did a great job, and you of ACAN-EFE, who followed up on the incident."

NICARAGUA

ORTEGA DISCUSSES DOMESTIC, FOREIGN POLICIES

PY181700 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Mar 85 p 26

["Exclusive" interview with President Daniel Ortega by Marco Piva in Managua, "hours before departing" to attend the inauguration of Brazilian President-Elect Tancredo Neves]

[Text] [Piva] President Reagan is having difficulties convincing the U.S. Congress to approve $14 million in assistance to the Nicaraguan rebels. How do you analyze this fact?

[Ortega] President Reagan made promises of peace to the U.S. people during his campaign for reelection. Regarding the world's greatest problems, he presented himself as a man who wanted peace in the world, with the Soviet Union, rejected a militarist policy toward Central America, supported the Contadora Group, the Manzanillo negotiations, and so forth. So, among other things, the U.S. people voted for peace program, but President Reagan is now pursuing a policy contrary to his electoral campaign. Naturally the U.S. people do not support his actions, and their attitude is reflected by Congress. This means in practice that the U.S. people do support the Nicaraguan people. Our struggle for peace is supported by all the peoples of the world and by various governments that defend Nicaraguan self-determination and oppose U.S. intervention in Nicaraguan internal affairs. Today, we are seeking peaceful solutions to the problems affecting U.S.-Nicaraguan relations. Our people do not want war.

[Piva] Is this desire for peace implied in the unilateral decisions Nicaragua has made recently?

[Ortega] Absolutely. We made some decisions that are attuned to the Contadora peace document, which we accepted in September 1984. In this peace proposal there is a point that Nicaragua has always defended -- the withdrawal of all foreign military advisers from Central America. We are going to make do without the cooperation of 100 Cuban advisers as of this coming May, regardless of whether we reach an agreement or not. Another point that we accept, and which we are implementing already, is the freezing of the introduction of new arms into the region. Unfortunately, the Contadora peace document is being boycotted by the U.S. Administration, which forced other Central American governments to reject this proposal. Our government is making a great effort so that the positions of the Contadora peace act become truthworthy. And this is not a mere formal attitude, but one of substance and total support. When we unilaterally decide to remove from Nicaragua a given number of Cuban advisers and to freeze the purchase of new defense material, this means that we are making an effort to bring peace to the region. We are now awaiting a positive reaction from the United States, such as returning to the Manzanillo talks, thus complementing the Contadora peace efforts.

[Piva] Your government has recently adopted restrictive economic measures that resemble those recommended by the IMF.

[Ortega] The measures we adopted are meant to confront the international economic crisis that is so hard on the Third World countries. There is a serious financial crisis, in addition to the wide disparities in trade relations between countries. This is the result of the North-South relations that discriminate against the developing countries in favor of the developed ones, mainly those industrialized countries that operate on the basis of a market economy. In Nicaragua, we are facing an even more serious situation due to the fact that our country is facing an external military aggression that negatively impinges on the economic situation, thus making it more severe than in other countries. Even without any current aggression, many Latin America countries have been forced to adopt some measures of which the Nicaraguan Government does not approve. We know that some governments of the continent do not see such measures favorably, especially those recommended or imposed by the IMF. In Nicaragua we adopted measures that in the eyes of some people are the same as those opposed by the IMF. They may appear that way at first glance, but they are not, not in their fundamental aspects. The famous IMF letters of intent have a discriminatory character because, while giving the impression that they will solve the financial and production crisis, they impose sacrifices on the working class, thus logically creating political and social turmoil. The IMF creates, rather than solves, crises in those countries.

In Nicaragua, the measures are much more palatable because, although some of them resemble the IMF measures for financial and production adjustment, they are complemented with initiatives to guarantee the workers' real salaries by controlling the prices of essential products. This is the fundamental difference our program has with that of the IMF.

On balance, our measures are aimed at protecting the workers and not expressly to resolving the crisis, because the crisis is very severe and will not be straightened out in the immediate future. These measures are aimed at shielding the majority of the populations, which is poor, from being more critically affected by the economic situation. We want to halt the crisis by supporting production at the state and private levels, by controlling commerce that is under these circumstances a distorting factor, and by regulating the policy of subsidies.

[Piva] Opposition leader Antonio Cruz has said that he would like to visit Nicaragua in order to present in the various sectors of society a proposal that could be mediated by the Episcopal Conference. Would Mr Cruz be allow to come to Managua?

[Ortega] We have already adopted the necessary measures to prevent Mr Cruz' arrival in the country, because we do not want to have to arrest him, as is contemplated in a CIA plan recently uncovered by our intelligence services. It would be better for Mr Cruz not to come to Nicaragua because by joining with the mercenary forces that are directed and trained by the U.S. Government through the CIA he has made himself an outlaw. The moment he visited the counterrevolutionary camps in Honduran territory, appealing to those people to continue committing crimes against the Nicaraguan people, Mr Cruz stepped into the criminal world, and his conduct cannot be tolerated by the revolutionary government. This is not a question of a political crime, or of ideological or political persecution, but a question of common crime written into laws that are binding on all citizens. It must be pointed out that as long as Mr Cruz stayed in the arena of civic struggle, there was no problem. He had the opportunity to speak publicly, to enter and leave the country as he pleased. But once he becomes an accomplice of armed counter-revolutionary activities at the service of a foreign power, Mr Cruz became a criminal.

[Piva] Is journalist Pedro Jaoquin Chamorro Barrios in the same situation?

[Ortega] Oh yes, Mr Chamorro is in the same situation.

[Piva] One of the accusations made by the opposition is that in Nicaragua, the state is seriously tied to the government party. How do you answer this accusation?

[Ortega] There is much talk about the state-party relationship. I must say that it is impossible for a major political force like the Sandinist Front to be detached from the revolutionary process in Nicaragua. The attainment of democracy through a electoral process, whether direct or indirect, cannot be equated with the attainment of democracy through a revolutionary transformation that eliminates the power structure of the system that was in place before. This, then, is naturally translated into the strong presence of the political force that headed the process of change, and explains the support the Sandinist Front can provide for the maintenance and consolidation of the revolutionary government, as was manifested and ratified in the elections last November.

[Piva] What is the level of relations between the Nicaraguan Government and the Brazilian political parties?

[Ortega] The Nicaraguan Government wants to maintain good relations with all the political forces in Brazil. To us the Brazilian political parties are very important, regardless of the number of their followers. We have the obligation to maintain cordial relations with all the Brazilian political forces and to respect their decisions as to the kind of relations they want to cultivate with Nicaragua.

Comments on Economic Situation

PY162340 Santiago HOY in Spanish 11-17 Mar 85 pp 55-58

["Exclusive" interview with President Daniel Ortega by unidentified reporter in Montevideo -- date not given]

[Text] [Reporter] You have said that the Contadora Group is getting stronger. On what grounds do you make that statement?

[Ortega] The United States has made an effort to sabotage the Contadora Group meetings. It found a pretext in the case of a person who sought shelter in the Costa Rican Embassy, but we have already solved this problem. Therefore, there are no more pretexts and the Contadora Group efforts can be reactivated. In addition, these efforts have been strengthened by the initiative that Nicaragua has unilaterally taken. We are sure that our initiative will promote an atmosphere of confidence among the Central American governments and that it will be taken into account by the U.S. Congress and Government.

[Reporter] Did you meet with Costa Rican President Luis Alberto Monge?

[Ortega] We were together during the ceremonies at the congressional hall, where we exchanged some views. We also talked a bit at various ceremonies in which we met.

[Reporter] And how did President Monge react to the solution of the problem of the refugee at the embassy?

[Ortega] They will return him to the Contadora Group. This is what he told Colombian President Belisario Betancur.

[Reporter] What consequences would an eventual solution to the Salvadoran conflict bring to Nicaragua?

[Ortega] There are two hot spots in Central America: They are the U.S.-Nicaraguan and the Salvadoran-U.S. issues. Obviously, it would be very important to solve one of these two issues, because tension would be markedly eased and I believe it would be easier to solve our problem.

[Reporter] What is the situation of the Catholic Church in Nicaragua?

[Ortega] There were some problems with the church, but on 24 December, when I met with all the Nicaraguan bishops, we opened a communications channel through a government commission. A Vatican representative is also participating. These commissions have held three meetings and a fourth one is scheduled for early March. Therefore, we believe that we are on the right course. In Nicaragua, almost everyone has been raised under Catholic influence. The same thing applies to my family. Marx said religion is the opium of the people. In Nicaragua this was true at a certain time, but now religion has turned into an instrument of the revolution.

[Reporter] The United States has repeatedly charged that Nicaragua and Cuba support the Salvadoran guerrillas.

[Ortega] The United States has used this pretext to justify its aggressive policy against Nicaragua. But the charge has been totally dispelled by President Reagan who, in his last statements, said that his objective is to oust the Sandinist regime. The U.S. press and political leaders have pointed out that this has revealed that the Salvadoran issue was a mere excuse and that the United States was not actually interested in the alleged traffic of arms. It has been clearly established that what they want is to destroy the Nicaraguan revolution.

[Reporter] Is it actually posssible to attain a peaceful solution?

[Ortega] Well, the situation is now very serious, but is is our duty to make every effort to find a solution. I believe that in Montevideo we have been able to create a favorable atmosphere for an initiative leading to a peaceful outcome, but the situation is truly serious.

[Reporter] It has been said that President Raul Alfonsin will act as mediator. Is this true?

[Ortega] I would say Latin America is interested in mediating in this conflict, in helping the United States and Nicaragua find a peaceful solution. President Alfonsin has always been very concerned over this situation and has been willing to help in any way possible.

[Reporter] Does the Sandinist regime consider itself a socialist regime?

[Ortega] We do not deny our aspirations. Yet the important thing is that we are implementing a program suitable to the real possibilities of development of our country. We have defined our Sandinist principles and we have based our actions on such principles. When we refer to the Sandinist regime we are talking about the legacy that we received from Sandino which entails an anti-imperialist and nationalist doctrine that seeks social change. We have made the Sandinist program and doctrine reflect the real situation of the Nicaraguan people, that of militant and revolutionary Christians. We have made it reflect Marxist doctrine and universal values. These combined factors, applied in compliance with the Nicaraguan situation, have allowed us to find the right answers.

[Reporter] Do you think it is possible to adopt a third position somewhere between that of the United States and that of the USSR?

[Ortega] I believe that the existence of the Nonaligned Movement is a concrete fact. We are part of the movement. We believe that it is necessary to strengthen it. The movement is the natural channel through which Lain America can solve its current economic and political problems.

[Reporter] What is your impression of the meeting you held with Uruguayan politicians and with President Sanguinetti?

[Ortega] We have seen great political maturity. Also, they have been very receptive to our proposals concerning the Central American situation. We found great maturity in the way democracy was restored in Uruguay. From our viewpoint, the great task that Uruguayan party leaders have undertaken is the defense and strengthening of the democratic political process that they have conquered. They are thus making a contribution to Latin America's democratization.

[Reporter] Does the strengthening of South America's democracy have any influence on Central America?

[Ortega] Yes. We cannot isolate the revolutionary or democratic progress made in any part of Latin America.

We believe that each case supplements that others. And, obviously, the important democratic progress made in this area is beneficial for Central America.

[Reporter] How does Nicaragua view the economic problem, taking into account that it is waging a war?

[Ortega] This issue calls for joint Latin American efforts. We can no longer think of confronting our economic problems in isolation. To attempt to face the debt and exchange issues isolatedly is simply equivalent to committing suicide. The only way to survive and cope with the problem is to join efforts and to follow common courses of action. In the Nicaraguan case, the economic situation is more difficult because of the aggression. In this regard, we appreciate Latin America's support of the search for peace because a peaceful Nicaragua would provide a more suitable atmosphere to successfully tackle the economic issue.

[Reporter] How long will Nicaraguan arms purchases remain frozen?

[Ortega] We did not set specific deadlines. We will wait until the Contadora Group talks are resumed to make a final decision on the issue within the Contadora framework.

DEPUTY FOREIGN MINISTER ON POSSIBLE U.S. BLOCKADE

DW181419 Cologne ARD Television Network in German 1820 GMT 17 Mar 85

[From "World Mirror" program by Hartmann von der Tann in Managua]

[Excerpt] It is considered an open secret in the region that states friendly with the United States, such as Honduras and El Salvador, have supplied the contras with funds and weapons. Yet, the question concerning the $14 million [U.S. aid to the contras frozen by Congress] plays a special role in Nicaragua policy. Deputy Foreign Minister Nora Astorga says:

[Begin recording in Spanish with superimposed translation] The $14 million per se is not important. President Reagan could send this money some other way. What is important to him is the justification of his Central America policy. [end recording]

In Managua there is still a U.S. Embassy, which is comparable to a fortress. In the event that Congress does not approve the aid to the contras, hawks in the Reagan administration have publicly been toying with the idea of severing diplomatic relations with Nicaragua or imposing a total economic blockade as was placed on Cuba at the time. Nora Astorga again:

[Begin recording] This would, of course, raise some considerably more difficult problems for us. But I do not know whether the United States would be capable now, at the end of the 20th century, of imposing a blockade of a severity similar to that imposed on Cuba. In any event, it would spell even more pain, struggle, and difficulties for the Nicaraguan people. [end recording]

RAMIREZ, IAPA DELEGATION MEET, DISCUSS PEACE

PA180106 Managua Radio Sandino in Spanish 1300 GMT 17 Mar 85

[Text] Vice President Sergio Ramirez Mercado yesterday met with an IAPA delegation, which will pay a 3-day visit to the country.

During the meeting, which lasted over 1 hour, Dr Ramirez talked to the delegation about the country's situation. The IAPA delegation asked for information on the mixed economy, peace efforts, the recent elections in Nicaragua, and the aggression which is being experienced by the country.

Referring to the revolutionary government's permanent search for peace, Dr Ramirez said that one of its top priorities is to restore peaceful relations with the United States. The vice president said: We have taken specific steps in the search for peace. Even though the situation is still difficult and extremely complex, we have made specific concessions in order to solve the problem between the United States and Nicaragua.

The IAPA's 21-man delegation represents various U.S. news media.

PANAMANIAN NATIONAL SENTENCED TO PRISON

PA150452 Managua EL NUEVO DIARIO in Spanish 12 Mar 85 pp 1, 10

[Text] Norberto Evaristo Torres Tejada, a Panamanian mercenary, was condemned yesterday, together with the Nicaraguan counterrevolutionary Diego Manuel Perez Miranda, to 11 years in prison for violating the order and public security law. In the charge presented before the Anti-Somozist People's Court, the Panamanian, Torres Tejada, is accused of being an active member of the counterrevolutionary organization Democratic Revoluionary Alliance [ARDE], which he joined in 1983.

According to the Managua auxiliary district attorney's office, the accused entered Nicaraguan territory with a group of some 130 persons led by the counterrevolutionary known as Tadeo or Israel. At that time the group harassed the place known as El Castillo (in Nicaraguan territory), and later returned to Costa Rica to ARDE's operations base. Later, in November 1983, Torres Tejada once again entered Nicaraguan territory led by the man known as "Matamares." Torres Tejada was wounded in the kneecap during this entry. He fled and remained out of action for 2 months at an ARDE camp. Once recuperated from his wound, he was appointed squad chief and was sent to "El Letrero" region under the command of the counterrevolutionary "Ciclon." During a skirmish with the Sandinist People's Army in El Letrero he was again wounded and later captured.

MISURASTA LEADER THREATENS MEXICO, VENEZUELA

PA151538 San Jose Radio Reloj in Spanish 1200 GMT 15 Mar 85

[Text] Miami -- Nicaraguan Steadman Fagoth Muller, head of an Indian rebel group, has threatened to conduct sabotage operations against Mexico and Venezuela as part of the fight to topple the Nicaraguan regime.

Meanwhile, another rebel chief, Fernando "El Negro" Chamorro, leader of the Nicaraguan Democratic Union, said that U.S. President Ronald Reagan's request to Congress for $14 million in aid has great symbolic importance for the counterrevolutionary movement.

Fagoth Muller, who heads the rebel Indian group Miskitos, Sumus and Ramas Sandinist Unity [Misurasata], and Chamorro are to spend the week meeting with local leaders from the Miami area to increase support for their cause.

ECUADORAN DELEGATION ARRIVES FOR TRADE TALKS

FL151957 Havana Television Service in Spanish 1800 GMT 15 Mar 85

[Text] Jaime (Nevos) Velasco, Ecuadoran ambassador on a special mission and leader of a high-level trade delegation, was met at the Jose Marti International Airport by Ernesto Melendez, acting minister president of the State Commitee for Economic Cooperation.

The Ecuadoran delegation, consisting of 18 representatives of that country's enterprises, today began talks with the Cuban delegation at Havana's Sierra Maestra Hotel. The session will contribute to the development of trade and economic relations between Cuba and Ecuador.

Talks Begin

FL160056 Havana Domestic Service in Spanish 2230 GMT 16 Mar 85

[Text] Talks between Cuba and a group of representatives of Ecuadoran businesses, headed by Ambassador Jaime (Nevos) Velasco, who is on an official mission for the Ecuadoran Government, has begun at the Sierra Maestra Hotel in Havana.

Ernesto Melendez, acting minister president of the State Committee for Economic Cooperation, is heading the Cuban delegation. He welcomed the Ecuadoran representatives and expressed the view that the way is now open for the development of economic and trade relations between the two countries.

DOMINICAN STUDENTS PROTEST, TAKE OVER BUILDING

FL152015 Havana Television Service in Spanish 1315 GMT 15 Mar 85

[Text] Hundreds of students from the Santo Domingo Autonomous University have violently clashed with policemen while demonstrating to demand a budget increase for the university. The youths protested at the state's university campus while hundreds of their fellow students, led by the Dominican Student Federation, after a confrontation with police agents, occupied the National Congress building. The students told the press that they will not leave the congress building until the government increases the university's budget.

Anti-riot police set off tear gas grenades on the Dominican students, and it was reported that several youth were injured.

GRANMA EDITORIAL NOTES INSURRECTION ANNIVERSARY

PA152236 Havana International Service on Spanish 1800 GMT 13 Mar 85

[Text] The Cuban newspaper GRANMA noted today the 28th anniversary of the attack on the Presidential Palace and the occupation of radio station Radio Reloj by a group of Cuban youths who started a carefully organized insurrection. The newspaper stated that with this action, the courageous combatants led by student leader Jose Antonio Echeverria fulfilled an obligation acquired by the revolutionary directorate and the 26 July Movement when they signed the Letter of Mexico.

GRANMA pointed out that the 13 March combatants placed their duty and dignity before all else and provided an extraordinary and permanent example of self-denial, patriotism, and sacrifice.

The editorial of the official Cuban newspaper stated that the revolutionaries who died on that day and those who were victims of the monstrous manhunt unleashed by the tyranny are part of a legion of men that our people will always remember with legitimate pride and profound gratitude.

The editorial of the Cuban newspaper also stated that dates such as this one will always remind us of the greatness and heroism of our youth, yesterday's as well as today's. They are the firm bearers of the unyielding banners of the revolution and the homeland, and the nation bases its most beautiful aspirations on their virtue.

'OUR AMERICA' ON NICARAGUAN 'FREEDOM FIGHTERS'

PA171650 Havana International Service in Spanish 2310 GMT 15 Mar 85

["Our America" commentary]

[Text] Interested in convincing the U.S. Congress that it should continue financing the Nicaraguan counterrevolutionary groups, the U.S. Government is resorting to all sorts of lies. In the White House's opinion, the remnants of the bloody Somozist guards, who attack the Sandinist revolution from Honduras and Costa Rica and who murder and torture peasant women and children, are freedom fighters. The propagandists of imperialism are now trying to convince the people of the world and of the United States, especially, that those who are kidnapping, torturing, and murdering defenseless Nicaraguan civilians have something in common with the principles of democracy, peace, and liberty. Such an absurdity!

Not enough years have passed since the overthrow of the Somozist dictatorship for the people to forget the crimes that were committed by Somoza's National Guard. The remnants of this guard, now allied to traitors and mercenaries, instigated by the U.S. Government, are carrying out a crusade against the Nicaraguan revolutionary government. Recently, some U.S. media have put together a strong campaign to present the honest fighters of the Sandinist People's Army [EPS] as violators of human rights and the counterrevolutionaries as defenders of the Nicaraguan peasants. This is no easy task since this is something like planting flowers in the desert, but in their attempt, the propagandists of the reactionaries are resorting to all kinds of arguments. Now they are saying that the Nicaraguan Government is uprooting hundreds of peasants from their place of birth to deprive the counterrevolutionaries of logistic support.

However, the true situation is very different, and it is of course convenient for Washington to hide it. What the Nicaraguan authorities are actually doing is providing protection to rural families by relocating them to safe places to avoid the abuses of the mercenary groups that are dedicated to bandit-like activities and commit all sort of crimes against defenseless peasants.

The Sandinist revolution has relocated some of these families and protected them by removing them from the operation zones of the Somozist killers so that they are not massacred as has happened many times before, most recently a few weeks ago in Zelaya Department. In only a few days of operations, the Nicaraguan counterrevolutionaries in that area murdered 59 civilians, wounded 28, and kidnapped 60. More recently yet, this past Monday, the anti-Sandinist mercenaries murdered four peasants, wounded three, and kidnapped two during an ambush against a small civilian truck in (San Pablo Cubani), Matagalpa Department. Shortly afterward, another counterrevolutionary group attacked the town of (Guasayamba), murdered two peasants, and destroyed two tractors. A few hours later, Washington's proteges murdered three leaders of the National Union of Farmers and Cattlemen in Jinotega Department.

We could cite hundreds of similar actions that demonstrates that the killers in Nicaragua are the counterrevolutionaries, many of them henchmen of the Somoza dictatorship, who are being generously financed and supported by the United States. This is why the current White House propaganda campaign aimed at blaming Nicaragua for the abuses and crimes of the counterrevolutionaries is nothing but a smoke screen with which Washington is trying to fool the U.S. Congress and people and ignore its responsibility for these crimes.